



SIN HENG CHAN (MALAYA) BERHAD

(Reg. No. 196201000185 (4690-V))

(Incorporated in Malaysia)

TRANSFORMING FOR THE BETTER



ANNUAL REPORT **2025**



INSIDE THIS REPORT

TRANSFORMING FOR THE BETTER

This year's cover depicts a deliberate journey of forward progression, flowing from core plantation and industrial activities into a modern, livable urban environment. Figures of workers, families, and cyclists, together with thriving landscapes, all serve to highlight the Group's increased commitment to positive social and environmental impact. With the interconnectivity symbolising SHC's evolution toward stronger governance and environmentally conscious, stakeholder-driven development, the overall design conveys meaningful transformation – anchored not only in operational enhancements but also in SHC's renewed focus on responsible land use, its communities' aspirations, and compliance with rising industry standards.



Feature in this Annual Report:

Scan here and get access to the soft copy of our reports and contact information

www.shcm.com.my

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Sustainability Statement

64th

ANNUAL GENERAL MEETING



11 June 2026,
Thursday



10.00 a.m.



Function Room 2
Kuala Lumpur Golf & Country Club (KLGCC)
10, Jalan 1/70 D, Bukit Kiara
60000 Kuala Lumpur

Feedback

We are fully committed to listening to our stakeholders, and we welcome feedback on this report and any aspect of our performance.

To provide feedback, or for any inquiries on our report, please contact:

Telephone : **60 (3) 2094 7992**

Fax : **60 (3) 2094 7996**

Email : cosec@shcm.com.my



CORPORATE INFORMATION

BOARD OF DIRECTORS



Mr. Mak Hon Weng
Chairman/Independent
Non-Executive Director

YBhg. Dato' Choo Keng Weng
Managing Director/
Executive Director

Mr. Choo Kin Choong
Group General Manager/
Executive Director

Mr. Thomas Tuan Kit Kwong
Non-Independent
Non-Executive Director

YM. Tunku Azlan bin Tunku Aziz
Independent
Non-Executive Director

Puan Erna Syafina binti Abdul Rahman
Independent Non-Executive
Director

AUDIT COMMITTEE

Chairman
YM. Tunku Azlan bin Tunku Aziz

Members
Mr. Mak Hon Weng
Puan Erna Syafina binti Abdul Rahman

NOMINATION AND REMUNERATION COMMITTEE

Chairman
YM. Tunku Azlan bin Tunku Aziz

Members
Mr. Mak Hon Weng
Puan Erna Syafina binti Abdul Rahman

COMPANY SECRETARIES

Ms. Lim Seck Wah
(MAICSA 0799845)
(SSM PC No. 202008000054)

Ms. Kong Mei Kee
(MAICSA 7039391)
(SSM PC No. 202008002882)

REGISTERED OFFICE

Suite 9B.05, Level 9B, Wisma E&C
No. 2, Lorong Dungun Kiri
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan, Malaysia

Tel : 60 (3) 2094 7992
Fax : 60 (3) 2094 7996

BUSINESS OFFICE

Level 3, Wisma E&C
No. 2, Lorong Dungun Kiri
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan, Malaysia

Tel : 60 (3) 2094 7992
Fax : 60 (3) 2094 7996

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

Tel : 60 (3) 7890 4700
Fax : 60 (3) 7890 4670

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
Bank Islam Malaysia Berhad
CIMB Bank Berhad
Malayan Banking Berhad
MBSB Bank Berhad

AUDITORS

Messrs Al Jafree Salihin Kuzaimi PLT
Chartered Accountants
No. 555, Jalan Samudra Utara 1
Taman Samudra
68100 Batu Caves
Selangor Darul Ehsan

Tel : 60 (3) 6185 9970
Fax : 60 (3) 6184 2524

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
(Listed since 26 July 1973)
Stock Name : SHCHAN
Stock Code : 4316
Sector : Plantation

WEBSITE

www.shcm.com.my

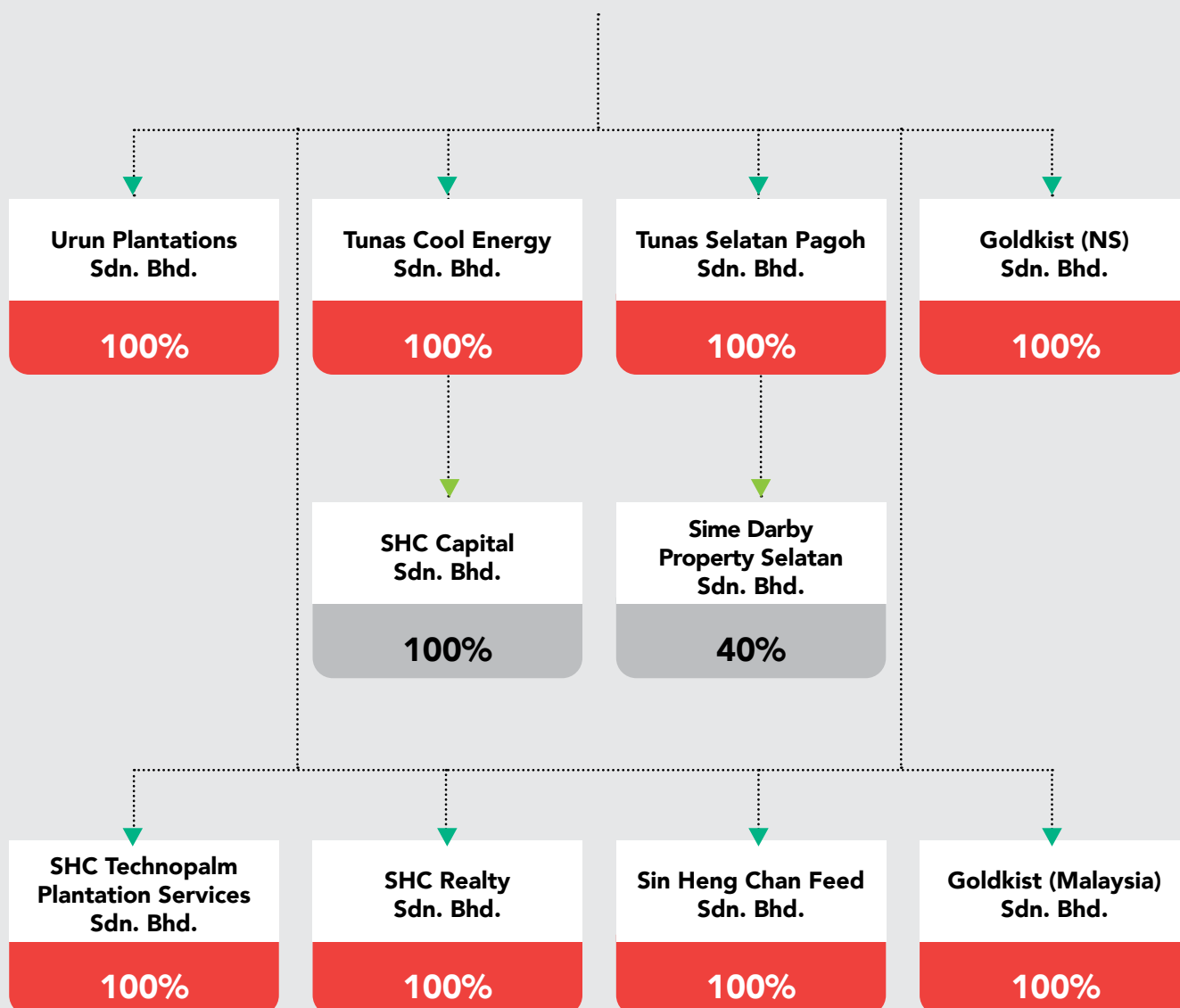
CORPORATE STRUCTURE



SIN HENG CHAN (MALAYA) BERHAD

(Reg. No. 196201000185 (4690-V))

(Incorporated in Malaysia)



PROFILE OF DIRECTORS

MAK HON WENG

Chairman / Independent Non-Executive Director



Age
73



Gender
Male



Nationality
Malaysian

Mr. Mak Hon Weng was appointed to the Board on 21 March 2014. He was appointed as Chairman of the Board on 25 May 2018.

He is a Chartered Accountant (FCCA) and Chartered Secretary (ACIS) by training. He is also a member of the Malaysian Institute of Accountants (MIA).

He is the member of the Audit Committee, and Nomination and Remuneration Committee of the Company.

He has more than 35 years of experience in senior managerial position, mostly in the banking industry. He last served as Senior Vice President with Alliance Bank Malaysia Berhad focusing in project financing for the real estate and construction sector.

He does not hold any directorship in any other public listed company.

DATO' CHOO KENG WENG

Managing Director / Executive Director



Age
76



Gender
Male



Nationality
Malaysian

YBhg. Dato' Choo Keng Weng is a businessman with varied interest and investments in Malaysia and overseas.

He was appointed as the Managing Director of Sin Heng Chan (Malaya) Berhad on 17 June 1995. He holds a Bachelor of Science and Master in Business Administration (MBA) in Finance (USA). After graduation in 1978, he served in various corporate positions both in overseas and Malaysia. He has vast experience in consumer food products, manufacturing and trading, property investment, plantation, construction and timber manufacturing.

He does not hold any directorship in any other public listed company. He sits on the board of several private limited companies.

CHOO KIN CHOONG

Group General Manager / Executive Director



Age
36



Gender
Male



Nationality
Malaysian

Mr. Choo Kin Choong was appointed to the Board of the Company on 3 July 2023. He is currently the Group General Manager of Sin Heng Chan (Malaya) Berhad.

Mr. Choo Kin Choong graduated in 2012 with Bachelor of Arts in Philosophy, Politics and Economics from the University of Oxford, United Kingdom. He has been involved with the Group's operations in the palm oil plantation, and energy and facility management sectors for the past 14 years.

Mr. Choo Kin Choong is the son of YBhg. Dato' Choo Keng Weng (Managing Director and Major Shareholder).

He does not hold any directorship in any other public listed company.

PROFILE OF DIRECTORS

(CONT'D)

THOMAS TUAN KIT KWONG

Non-Independent Non-Executive Director



Age
62



Gender
Male



Nationality
Malaysian

Mr. Thomas Tuan Kit Kwong was appointed to the Board on 11 November 2011. In year 2023, Mr. Thomas was re-designated from the position of Independent Non-Executive Director to Non-Independent Non-Executive Director.

He is a Chartered Accountant by profession and is a member of the Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants (MICPA). He started his accounting career with Azman, Wong, Salleh & Co. and subsequently joined KPMG Peat Marwick.

In 1991, Mr. Thomas joined Syarikat Teratai KG Sdn. Bhd. as a Financial Controller. He left to join Kelanamas Industries Berhad. He was appointed as Director and CEO of Pakai Industries Berhad since 1995 till present.

He does not hold any directorship in any other public listed company.

TUNKU AZLAN BIN TUNKU AZIZ

Independent Non-Executive Director



Age
57



Gender
Male



Nationality
Malaysian

YM. Tunku Azlan bin Tunku Aziz was appointed to the Board of the Company on 7 May 2021.

He is the Chairman of the Audit Committee, and Nomination and Remuneration Committee of the Company.

YM. Tunku Azlan is a qualified Accountant under the Association of Chartered Certified Accountants (ACCA) since 1996 and a member of the Malaysian Institute of Accountants (MIA).

He does not hold any directorship in any other public listed company.

ERNA SYAFINA BINTI ABDUL RAHMAN

Independent Non-Executive Director



Age
34



Gender
Female



Nationality
Malaysian

Puan Erna Syafina binti Abdul Rahman was appointed to the Board of the Company on 3 July 2023.

She graduated in 2017 with a Masters of Architecture from University of Kent, Canterbury, United Kingdom and has a Bachelor of Science (Honours) (Architecture) from Taylor's University, Malaysia. She is registered with the Lembaga Arkitek Malaysia and Pertubuhan Arkitek Malaysia (PAM).

She is the member of the Audit Committee, and Nomination and Remuneration Committee of the Company.

She has 14 years of business experience and has been involved in many construction projects throughout Peninsular Malaysia and Sarawak.

Presently, she is the Independent Non-Executive Director of Ocean Vantage Holdings Berhad.

Other Information:

- Family Relationship with any Director and/or Substantial Shareholder**
Save for Mr. Choo Kin Choong who is the son of YBhg. Dato' Choo Keng Weng, there is no family relationship with any Director and/or Substantial Shareholder of the Company.
- Directors' Shareholdings**
Details of the Directors' shareholdings in the Company are provided in the Analysis of Shareholdings Section in this Annual Report.
- Conflict of Interest with the Group**
None of the Directors of the Company have any conflict of interest with the Group.
- Convictions for Offences**
None of the Directors of the Company have been convicted of any offences within the past five (5) years. There was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2025.
- Attendance of Board Meeting**
Details of the Board meeting attendance of each Director are disclosed in the Corporate Governance Overview Statement in the Annual Report.

PROFILE OF SENIOR MANAGEMENT

DATO' CHOO KENG WENG

Managing Director / Executive Director

Age
76

Gender
Male

Nationality
Malaysian

Please refer to his Director's Profile appearing in page 4 of the Annual Report 2025.

CHOO KIN CHOONG

Group General Manager / Executive Director

Age
36

Gender
Male

Nationality
Malaysian

Please refer to his Director's Profile appearing in page 4 of the Annual Report 2025.

CAPT. (R) V. PANIRCHELVUM S/O VELAITHAM, PGB

Director of Urun Plantations Sdn. Bhd.

Age
72

Gender
Male

Nationality
Malaysian

Capt. (R) Panirchellvum was appointed as Director (Plantation) for the Group's palm oil plantation segment in 2018. After graduating from Royal Military College in 1974, he had a distinguished career in the Royal Ranger Battalion, during which he received the Bravery Dagger from the Chief of the Armed Forces and the Panglima Gagah Berani from the DYMM Yang Dipertuan Agong. He also attended the Senior Management Development Programme (SMDP) at Harvard Business School and the Design Thinking Programme at Stanford University. In addition, he holds a Master of Business Administration (MBA) from Charles Sturt University, Australia.

His working experience spans of 43 years in various plantation groups throughout Malaysia, including senior positions in Golden Hope, Glenealy Plantation, Asian Forestry Company and Asian Plantations Limited. He is deeply experienced in all aspects of plantation management.

He does not hold any directorship in any other public listed company.

NORIHA BINTI EMBONG

Director of Tunas Selatan Pagoh Sdn. Bhd.

Age
60

Gender
Female

Nationality
Malaysian

Puan Noriha was appointed as Executive Director of Tunas Selatan Pagoh Sdn. Bhd. in July 2021.

She graduated in 1991 with a Bachelor of Science (Hons.) in Quantity Surveying from Leeds Polytechnic, United Kingdom.

She has more than 30 years of extensive experience in the construction industry, particularly in the fields of quantity surveying, contract management and commercial management. She has been involved with the successful completion of several turnkey contracts, as well as large-scale design-and-build and build-operate-transfer (BOT) projects for the government sector including hospitals, universities, highways and student accommodations. Her past working experience includes positions with the Ministry of Housing and Local Government, Public Works Department, Jurukur Bahan Bersama, and Tunas Selatan Construction Sdn. Bhd..

She does not hold any directorship in any other public listed company.

PROFILE OF SENIOR MANAGEMENT (CONT'D)

HEDZIR BIN AMINUDIN

Director of Tunas Cool Energy Sdn. Bhd. and SHC Capital Sdn. Bhd.

Age
72

Gender
Male

Nationality
Malaysian

Encik Hedzir was appointed as Director of Tunas Cool Energy Sdn. Bhd. and SHC Capital Sdn. Bhd. in October 2019 and June 2020 respectively.

He is a Chartered Accountant and a member of the Malaysian Institute of Accountants (MIA) following graduation from Turpin Stead & Sopers, Accountancy Tutors, London.

He has more than 40 years corporate experience in financial and general management and has served in various industries ranging from aviation and property investment including senior positions in Malaysia Airlines System Berhad, Malaysian Mining Corporation Berhad, KLCC Property Holdings Berhad Group of Companies (a subsidiary of Petronas) and Putrajaya Holdings Sdn. Bhd..

He does not hold any directorship in any other public listed company.

MURUGAN JOSEPH

General Manager of Urun Plantations Sdn. Bhd.

Age
56

Gender
Male

Nationality
Malaysian

Mr. Murugan graduated from Universiti Utara Malaysia with degree in Bachelor of Economics in 1997. He has more than 30 years of experience in plantation operations. He is the General Manager of the Group's plantation segment.

He has served in various estates companies throughout Malaysia with companies such as Tradewinds Plantation Berhad, Asian Plantations (SWK) Sdn. Bhd., Glenealy Plantation and Golden Hope Plantation, before joining the Group in December 2017.

He does not hold any directorship in any other public listed company.

JEFFREY CHONG SUN CHOI

Financial Controller

Age
45

Gender
Male

Nationality
Malaysian

Mr. Jeffrey Chong assumed the role of Financial Controller of the Group on 2 February 2024. He graduated from Universiti Malaya with a Master of Business Administration (MBA) for a concentration in Finance. He is a fellow member of the Association of Chartered Certified Accountants (FCCA) and a member of the Malaysian Institute of Accountants (MIA).

With over 20 years of experience, Mr. Jeffrey Chong is highly skilled in audit, finance, tax, and corporate governance matters. Prior to joining the Group, he has held significant roles at renowned firms such as KPMG, Deloitte, and Crest Builder Holdings Berhad, where he served in senior managerial capacities.

He does not hold any directorship in any other public listed company.

Other Information:

1. Family Relationship with any Director and/or Substantial Shareholder

Mr. Choo Kin Choong is the son of YBhg. Dato' Choo Keng Weng. There is no any family relationship in between the Directors/Key Senior Management with any Director and/or Substantial Shareholder of the Company.

2. Conflict of Interest with the Group

None of the Directors/Key Senior Management of the Company has any conflict of interest with the Group.

3. Convictions for Offences

None of the Directors/Key Senior Management of the Company have been convicted of any offences within the past five (5) years. There was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2025.

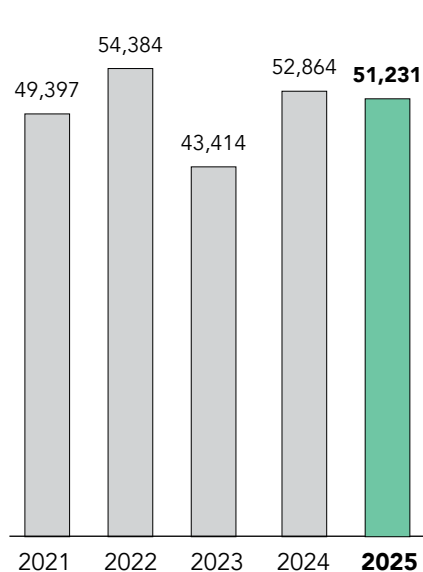
GROUP 5-YEAR FINANCIAL SUMMARY

Financial Year Ended 31 December (RM'000)	2025	2024	2023	2022	2021 Restated
Revenue	51,231	52,864	43,414	54,384	49,397
Profit for the Financial Year	8,419	8,734	7,123	14,979	63,742
Paid-up Share Capital	214,355	183,005	181,355	181,355	181,355
Total Tangible Assets	468,400	455,091	434,845	415,075	410,562
Shareholders' Funds	285,620	277,201	268,467	261,343	246,364
Basic Earnings per Share (sen)	2.74	2.95	2.43	5.11	30.01
Diluted Earnings per Share (sen)	2.04	2.12	1.73	3.63	21.88
Net Assets per Share (sen)	73	93	92	89	84
Net Tangible Assets per Share (sen)	67	86	84	82	76



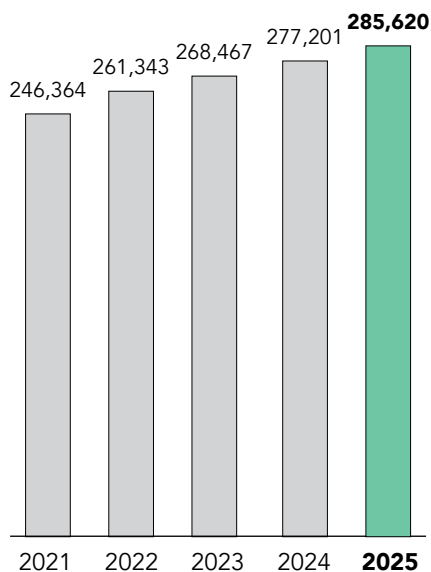
Revenue
(RM'000)

RM51.2_{mil}



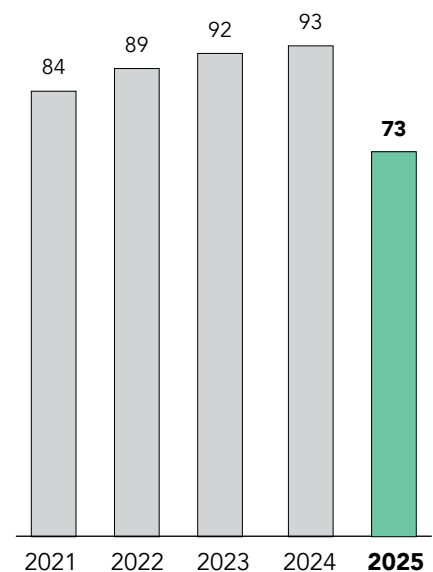
Shareholders' Funds
(RM'000)

RM285.6_{mil}



Net Assets per Share
(Sen)

73_{sen}



MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS

Sin Heng Chan (Malaya) Berhad ("Group") is principally involved in the following core business segments.



PLANTATIONS

The Group operates in the upstream segment of the palm oil industry in Malaysia, with principal activities including oil palm cultivation and sale of Fresh Fruit Bunches ("FFB") to external third-party Crude Palm Oil ("CPO") mills. As at 31 December 2025 ("FY2025"), our Group has a plantation landbank of approximately 10,781 hectares ("ha") in Sarawak, with a total planted area of 6,306 ha. The Group's estates are contiguous and located wholly on mineral soil. In FY2025, this business segment was the major contributor to the Group's revenue, accounting for 64% of the Group's total revenue for the financial year.



ENERGY AND FACILITY MANAGEMENT

The principal activities of the Group's energy and facility management segment include the provision of energy and facility management services, engineering, procurement and construction of district cooling systems, and the supply of cooling energy from district cooling systems and related activities. Within this segment, the Group aims to undertake energy efficiency projects to clients by providing end-to-end value engineering solutions which reduce both operational costs and greenhouse gas emissions.

Currently, the Group is involved in the supply of chilled water to designated buildings and shared facilities within the Pagoh Education Hub, Johor, and Dataran Pahlawan Melaka Megamall ("DPMM"). For FY2025, the energy and facility management segment contributed 29% of the Group's revenue.

In addition, the Group's associate company provides facility management services to four institutions of higher learning in the Pagoh Education Hub, comprising of Universiti Tun Hussein Onn Malaysia (UTHM), International Islamic University Malaysia (IIUM), Universiti Teknologi Malaysia (UTM) and Politeknik Tun Syed Nasir, as well as their shared facilities. As this project demonstrates, the Group is able to provide comprehensive facility management solutions across the spectrum – from design, finance, construction, operation and maintenance of purpose-built facilities. This segment provides the Group with a steady and recurring stream of income, unlike the Group's oil palm plantation business, which is cyclical and highly dependent on CPO prices.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)



INVESTMENT HOLDING AND OTHERS

The Group's investment holding activities principally involve the management of investments in subsidiaries and associate companies, providing strategic oversight and support for the Group's operations and long-term growth. Revenue for this segment is primarily derived from dividends received from subsidiaries, although such income is eliminated at the Group level for financial reporting purposes.

The Group's Wholesale and Distribution division supplies construction materials to third party customers by leveraging on the Group's existing and established supply chains in its other operating segments. In doing so, the Group is also able to benefit its existing business segments through more competitive bulk order pricing. This segment contributed 7% of the Group's overall revenue in FY2025.

INDUSTRY LANDSCAPE

Global Economic Environment

The global economy proved more resilient in 2025 than most had expected going into the year. Growth expanded at an annualised pace of approximately 3.25% in the second half of 2025, according to the recent *OECD Economic Outlook Interim Report 2026*. Private consumption and business investment were the twin engines, amplified by accelerating capital spending on artificial intelligence ("AI") technologies across major economies. The United States performed better than anticipated through the second half of the year, as powerful technology-related investment spending more than offset softness in other capital categories and the persistent headwind of elevated trade tariffs. India also outperformed following upward national accounts revisions, with the euro area, Indonesia and Saudi Arabia each growing faster than earlier forecasts had suggested. In China, strong export volumes and government-sponsored consumer incentives supported activity, though the property sector remained a structural drag on overall momentum. The world, in short, was advancing on multiple fronts – until it wasn't.

The resilience of the global economy is now being tested by the escalating conflict in the Middle East. Since late February 2026, a near-halt in shipments through the Strait of Hormuz – through which roughly 20% of global oil production and 25% of global seaborne oil trade ordinarily flows – triggered a sharp dislocation in energy markets. Crude oil prices rose more than 50% between the onset of hostilities and late March 2026, while natural gas prices surged in both European and Asian markets. The disruption extended to agricultural inputs: urea prices climbed more than 40% from mid-February as Persian Gulf states – which collectively account for approximately 34% of global urea exports – saw their supply chains severely curtailed. For commodity producers, including palm oil estates that rely on nitrogen-based fertilisers, the cost implications are direct and near-term.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

With this shock embedded in its baseline, the OECD projects global GDP growth to moderate to 2.9% in 2026 before a marginal recovery to 3.0% in 2027. The slowdown is broad-based across major economies. US annual GDP growth is forecast to ease from 2.0% in 2026 to 1.7% in 2027, as the benefits of AI investment are progressively offset by declining household purchasing power and

depleted consumer savings. The euro area faces the sharpest near-term impact, with growth projected to slow to just 0.8% in 2026 as elevated energy costs compress household and business spending, before recovering to 1.2% in 2027. China is forecast to decelerate from 5.0% growth in 2025 to 4.4% in 2026 and 4.3% in 2027, as consumer subsidies expire, real estate sector adjustment continues, and energy import costs rise. On the inflation front, G20 headline inflation is forecast to increase from 3.4% in 2025 to 4.0% in 2026 – a full 1.2 percentage points above what had been projected just months earlier – before easing to 2.7% in 2027 as energy price pressures are assumed to gradually unwind from mid-2026 onwards.

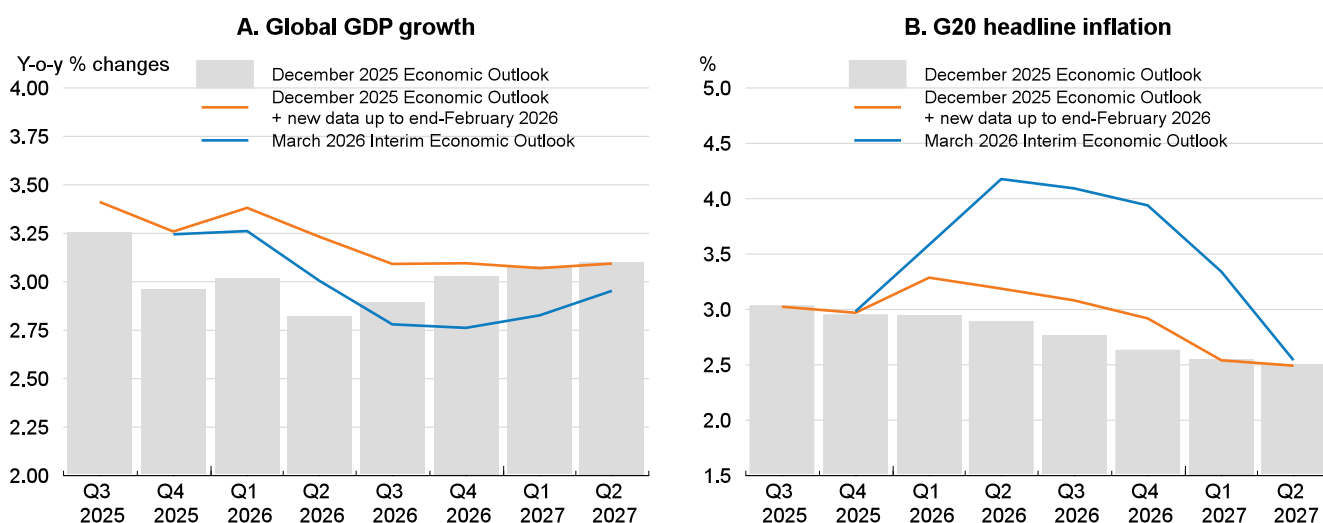


Figure: Projected change in global GDP growth and inflation prospects due to Middle East conflict (Source: OECD Interim Outlook Report March 2026)

Three factors are likely to dominate the 2026 economic environment. First, the trajectory of the Middle East conflict is the single largest variable: a prolonged disruption to Strait of Hormuz energy flows and fertiliser supply chains would inflict considerably greater economic damage than current market pricing assumes. Second, the AI-driven investment cycle remains a genuine and growing source of global momentum – technology-related industrial production continues to expand rapidly across Asia and the United States, and the largest technology companies raised their 2026 capital expenditure plans further. Third, while US effective tariff rates have declined to an estimated 9.9% following a Supreme Court ruling that curtailed executive tariff authority, well below earlier projections, trade policy remains subject to political reversal and further political uncertainty in the US.

For shareholders reading this report, the global picture in 2026 is best understood not as a crisis, but as a recalibration. The foundations of growth – technology investment, recovering trade flows, and broadly supportive monetary conditions across most emerging markets – remain intact. What has changed is the cost of energy, the unpredictability of commodity supply chains, and the degree of geopolitical uncertainty that businesses must now price into every planning assumption. This environment underscores the strategic value of diversified revenue streams and disciplined cost management. The Group does not control CPO prices, fertiliser costs, or the decisions of central bankers in Washington or Frankfurt. What it can control – and what it is focused on – is expanding and improving its productive plantation area, selectively growing its recurring income base with financially feasible projects, and running its operations with the care and efficiency that creates durable value over time. Importantly, the Group sees opportunity within these broad global themes. Rising demand for energy efficiency solutions – driven by elevated energy costs and the accelerating push by corporations and governments alike to reduce their carbon footprints – directly supports the long-term growth runway of the Group's energy and facility management business. Higher energy costs are also likely to benefit the palm oil industry biodiesel rollout. As the world changes, the Group must find ways that, on balance, captures the opportunities responsibly for the long term.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OVERVIEW OF MALAYSIAN PALM OIL INDUSTRY IN 2025

The Malaysian palm oil industry registered a solid performance in 2025, with most key indicators moving in a positive direction. CPO production reached 20.28 million tonnes, the highest level recorded in a decade and a 4.9% increase from 19.34 million tonnes in 2024. The improvement was broadly attributable to a more stable labour environment across the plantation sector, which enabled shorter harvesting intervals and more consistent field maintenance. National FFB estate yield rose 6.4% to 17.77 tonnes per hectare, and the national oil extraction rate improved marginally to 19.74%, reflecting a higher proportion of ripe, quality FFB being processed by mills. Oil palm planted area expanded modestly by 1.6% to 5.70 million hectares, driven by the progression of replanting activities adding to the immature palm area nationally.

Pricing conditions were generally supportive. The average CPO price rose 2.7% to RM4,292.50 per tonne, underpinned by firmer global soybean oil prices and market expectations surrounding Indonesia's planned B50 biodiesel mandate implementation in 2026. Palm kernel and crude palm kernel oil ("CPKO") prices rose more substantially – up 29.4% and 33.9% respectively – driven by supply tightness and stronger lauric oil demand in global markets. The average FFB mill gate price increased 6.3% to RM930 per tonne, improving income for both estates and smallholders. Total palm-based export revenue rose 2.8% to RM112.43 billion, a reasonable outcome given the headwinds on export volumes.

The export picture was less favourable, and warrants attention. Malaysia's palm oil export volume fell 9.6% to 15.27 million tonnes, as domestic production growth outpaced global import demand. India retained its position as Malaysia's largest export destination for the twelfth consecutive year, accounting for 17.4% of total exports. Kenya emerged as the second-largest market for the first time, surpassing both the EU and China, with imports of 1.21 million tonnes. The EU accounted for 6.8% of exports, China 5.9%, with the seven major markets combined absorbing 51.5% of total Malaysian palm oil exports.

Key Industry Indicator	2025	2024	Change (%)
CPO Production – Malaysia (million MT)	20.28	19.34	4.9
FFB Yield of Estates – Malaysia (MT/ha)	17.77	16.70	6.4
FFB Yield of Estates – Sarawak (MT/ha)	15.98	14.89	7.3
National OER (%)	19.74	19.67	0.4
Average CPO Price (RM/MT)	4,292.50	4,179.50	2.7
Average FFB Mill Gate Price (RM/MT)	930.00	875.00	6.3
Palm Kernel Price (RM/MT)	3,424.50	2,645.50	29.4
CPKO (RM/MT)	7,329.50	5,475.50	33.9
Palm Oil Exports (million MT)	15.27	16.90	(9.6)
Total Export Revenue (RM billion)	112.43	109.39	2.8

Source: Malaysian Palm Oil Board (MPOB), Overview of the Malaysian Oil Palm Industry 2025.

The most significant concern entering 2026 is the sharp build-up in palm oil inventories. Ending stocks rose 78.6% to 3.05 million tonnes by December 2025, driven by a combination of record production, a near-trebling of imports, and weaker export volumes. This stock accumulation represents the industry's principal near-term pricing headwind, and its resolution will depend on the pace at which demand-side factors can reabsorb the surplus.

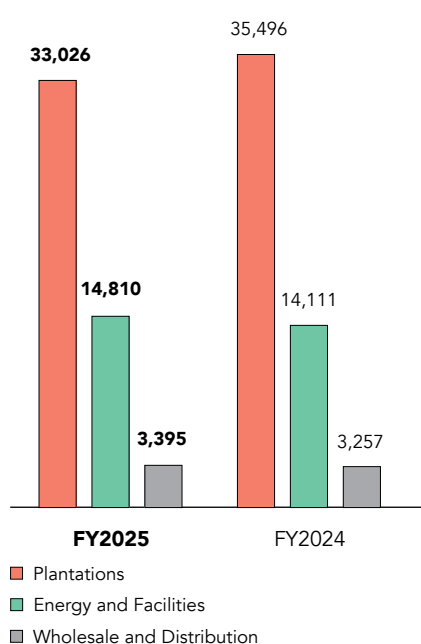
On that front, conditions are not without support. Indonesia's planned B50 biodiesel mandate, if implemented as signalled in 2026, would add meaningfully to palm oil consumption and could accelerate the drawdown of inventories over the course of the year. Palm oil's structural position as the world's most land-efficient vegetable oil – producing more output per hectare at lower cost than any competing crop – remains intact and continues to underpin long-term demand across food, oleochemical and energy applications.

 **CPO production reached 20.28 million tonnes, the highest level recorded in a decade and a 4.9% increase from 19.34 million tonnes in 2024.** 

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

Segmental Contributions to Revenue (RM'000)



GROUP FINANCIAL REVIEW

Financial Performance

Revenue

The Group's total revenue for the financial year ended 31 December 2025 ("FY2025") amounted to RM51.2 million, representing a 3.1% decrease from RM52.9 million recorded in the preceding financial year ended 31 December 2024 ("FY2024"). The decline was mainly attributable to lower contributions from the Plantations segment, which decreased by 7.0% to RM33.0 million from RM35.5 million in FY2024. This was partially offset by higher revenue from the Energy and Facilities Management segment, which increased by 5.0% to RM14.8 million from RM14.1 million, and the Wholesale and Distribution segment, which rose by 4.2% to RM3.4 million from RM3.3 million.

Segmental Contributions to Revenue

Group	FY2025 RM'000	FY2024 RM'000
Plantations	33,026	35,496
Energy and Facilities Management	14,810	14,111
Wholesale and Distribution	3,395	3,257
Total	51,231	52,864

Plantations segment

For FY2025, revenue from the Plantations segment decreased by 7.0% to RM33.0 million, compared with RM35.5 million in FY2024. The decline was mainly attributable to a 9.5% reduction in FFB production, which fell from 41,737 MT to 37,776 MT. The lower production was primarily due to adverse weather conditions in early 2025 and ongoing replanting activities within the Group's plantations, which temporarily reduced the total harvestable area. This impact was partially mitigated by higher average prices, with CPO and FFB prices increasing by 2.3% and 2.8%, respectively, during the financial year.

	FY2025	FY2024	Difference (%)
Average CPO price (RM/MT)*	4,314	4,218	2.3%
Average FFB price (RM/MT)	874	850	2.8%
FFB production (MT)	37,776	41,737	(9.5%)

* Extracted from MPOB Peninsular Malaysia Average

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Energy and Facilities Management segment

The Energy and Facilities Management segment contributed RM14.8 million to the Group's total revenue for FY2025, compared with RM14.1 million in FY2024. The increase was mainly attributable to the upward revision of chilled water supply charges following adjustments to electricity and water tariffs for the Group's cooling system projects.

Wholesale and Distribution segment

Revenue from the Wholesale and Distribution segment increased 4.2% to RM3.4 million in FY2025, from RM3.3 million in FY2024, mainly attributable to higher customer orders for construction materials during the financial year.

Profit Before Tax

Segmental Contributions to Profit Before Tax for the Financial Year

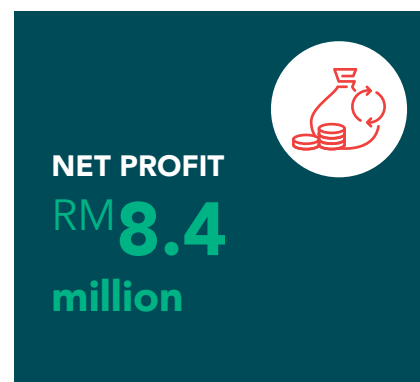
Group	FY2025 RM'000	FY2024 RM'000
Plantations	56	1,454
Energy and Facilities Management	16,302	14,842
Wholesale and Distribution	36	56
Investment Holding	3,920	2,657
Others	(32)	(30)
Eliminations	(11,414)	(9,237)
Profit Before Tax	8,868	9,742
Tax Expense	(449)	(1,008)
Profit After Tax	8,419	8,734

For FY2025, the Group recorded a profit before tax ("PBT") of RM8.9 million, compared with RM9.7 million in FY2024. The variance was mainly attributable to lower contribution from the Plantations segment, which recorded a profit of RM0.1 million compared with RM1.5 million in FY2024. Despite this, the Group continued to benefit from the strong performance of the Energy and Facilities Management segment, which increased its profit contribution to RM16.3 million, up from RM14.8 million in the previous financial year, helping to cushion the overall impact.

Plantation segment

In FY2025, the Plantations segment recorded a PBT of RM0.1 million, compared with RM1.5 million in FY2024. The lower performance was mainly attributable to reduced FFB production, which more than offset the slightly higher average CPO and FFB prices during the financial year. The decline in production was primarily due to ongoing replanting activities, which temporarily reduced the harvestable area.

“ The total assets increase was mainly attributable to higher carrying amounts of property, plant and equipment, investment in an associate, and trade and other receivables. ”



MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)



SHAREHOLDERS' EQUITY

RM **285.6**
million

Energy and Facilities Management segment

The Energy and Facilities Management segment recorded a higher PBT of RM16.3 million in FY2025, compared with RM14.8 million in FY2024. The improvement was primarily attributable to the upward revision of chilled water supply charges as well as cost savings in the maintenance of the cooling system projects. In addition, the segment also benefited from a higher share of results from its associate, Sime Darby Property Selatan Sdn. Bhd. ("SDPS"), which increased from RM15.7 million in FY2024 to RM16.6 million in FY2025.

Investment Holding segment

The Investment Holding segment reported a higher PBT of RM3.9 million in FY2025, compared with RM2.7 million in FY2024. The increase was mainly driven by higher dividend income received from its wholly owned subsidiary, Tunas Selatan Pagoh Sdn. Bhd., amounting to RM10.0 million, compared with RM8.0 million in the previous financial year. For consolidation purposes, the dividend income was eliminated at the Group level in both financial years.

CONSOLIDATED FINANCIAL POSITION AS AT THE END OF FY2025

Total Assets

The Group's total assets increased by 2.7% to RM488.8 million as at 31 December 2025, compared with RM476.1 million as at 31 December 2024. The increase was mainly attributable to higher carrying amounts of property, plant and equipment ("PPE"), investment in an associate, and trade and other receivables, which were partially offset by lower balances in other investments and concession financial assets.

Property, Plant and Equipment

As at 31 December 2025, the Group's PPE recorded a carrying amount of RM152.3 million, compared with RM131.8 million as at 31 December 2024. The increase was mainly attributable to additional capitalisation of bearer plants, planting infrastructure, plant and machinery, motor vehicles, and construction work in progress under the Plantations segment, in line with the Group's ongoing replanting programme and the expansion of both mature and immature planted areas.

Investment in an associate

As at the end of FY2025, the Group's investment in an associate increased to RM227.1 million, up from RM220.6 million as at the end of FY2024. The increase in carrying amount was due to the net movement of share of results from the associate, SDPS, amounting to RM16.6 million, offset by dividend income of RM10.1 million received from the associate.

Trade and other receivables

The Group's trade and other receivables increased from RM15.1 million to RM18.7 million as at the end of FY2025, mainly reflecting normal credit terms and collection cycles for billings made towards the end of the financial year.

Other investments

The Group's other investments decreased from RM16.8 million as at the end of FY2024 to RM3.3 million as at the end of FY2025, mainly due to the disposal of investments in unit trusts and quoted shares. The proceeds were primarily utilised to fund capital expenditure for the Group's Plantations segment, as well as to support working capital requirements during the financial year.

Concession financial assets

The Group's concession financial assets decreased from RM43.7 million as at the end of FY2024 to RM41.3 million as at the end of FY2025. The movement in the carrying amount was mainly attributable to billings to the grantor amounting to RM15.0 million during the financial year, which were partially offset by concession revenue and finance income recognised of RM9.8 million and RM2.8 million, respectively.

Shareholders' Equity

The Group's shareholders' equity increased to RM285.6 million as at the end of FY2025, compared with RM277.2 million as at the end of FY2024. The increase was mainly attributable to the net profit of RM8.4 million recorded during the financial year. In addition, 95,000,000 units of irredeemable convertible preference shares ("ICPS") were converted into ordinary shares at 33 sen per unit during the financial year, resulting in a corresponding increase in the Company's share capital.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Total Liabilities

The Group's total liabilities increased by 2.1% to RM203.2 million as at the end of FY2025, compared with RM198.9 million as at the end of FY2024. The increase was mainly attributable to higher trade and other payables, compared with the balances recorded at the end of the previous financial year.

Trade and other payables

The Group's trade and other payables increased from RM10.1 million to RM15.9 million as at the end of FY2025, in line with the increase in the Group's trade and other receivables during the financial year.

Borrowings

The Group's total borrowings stood at RM173.8 million as at the end of FY2025, slightly lower than RM174.2 million as at the end of FY2024. The marginal decrease was mainly due to repayments of term loans and Sukuk Wakalah during the financial year, which exceeded additional drawdowns of term loans and overdraft facilities utilised to finance plantation expansion and working capital requirements.

Gearing

The Group's gearing ratio remained stable at 38% as at the end of FY2025, consistent with the level recorded as at the end of FY2024. The relatively stable gearing position reflects the Group's prudent capital management, where borrowings were maintained at a manageable level relative to shareholders' equity, despite ongoing investments in plantation expansion and operational funding requirements.

OPERATIONAL REVIEW

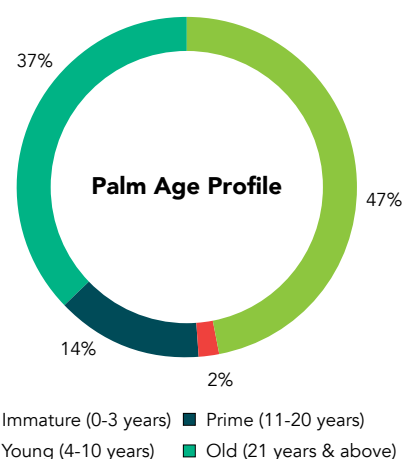
OIL PALM PLANTATIONS

The Group owns a contiguous landbank of 10,870.5 ha of mineral soil in Sarawak, Malaysia. Within this landbank, the Group cultivates oil palm plantations and undertakes the sale of FFB to external CPO mills. As at 31 December 2025, the Group's plantations comprise of four estates with a total planted area of 6,306 ha.

The age profile of the current developed area is as follows:

Palm Age (years)	As at 31 Dec 2025		As at 31 Dec 2024	
	Area (ha)	%	Area (ha)	%
Immature (0-3 years)	2,933	47%	2,126	37%
Young (4-10 years)	158	2%	-	-
Prime (11-20 years)	873	14%	1,689	29%
Old (21 years & above)	2,342	37%	1,920	34%
Total	6,306	100%	5,735	100%

The palm age profile reflects the continued transformation of the Group's estates under the current replanting program. Nearly half of the planted area (49%) now consists of immature or young palms – a substantial future production pipeline that will progressively contribute to FFB output over the coming years. The other half of the Group's estates are above the prime age of 11 years although with a significant area of aging palms (37%). Under the Group's ongoing replanting programme, this is expected to reduce even further over the coming years. Accordingly, the current weighted average palm age has reduced to 11.4 years, compared to 13.1 years from the prior year.



MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)



In FY2025, FFB production declined by 9.5% to 37,776 MT, primarily due to adverse weather conditions in early 2025 and the reduction of harvestable area associated with ongoing replanting activities. The Group's replanting programme, which involves clearing aging and lower-yielding palm areas and replacing them with improved planting material and better-planned infrastructure, carries a short-term cost in harvestable area and production output, but it is the foundation upon which the Group's longer-term estate productivity will be built. The Group's total planted area as at 31 December 2025 has increased to 6,306 ha from 5,735 ha at end-2024. The large, immature cohort of 2,933 ha has yet to meaningfully contribute to the Group's FFB production. As these palms progress through the immature and young phases toward prime production age, their contribution to overall estate output will grow progressively.

Key Industry Indicator	2025	2024	Change
Production of FFB (MT)	37,776	41,737	-9.5%
Average Selling Price per MT (RM)*			
– Average CPO Price	4,314	4,218	2.3%
– Average FFB Price	874	850	2.8%

* Extracted from MPOB Peninsula Malaysia Average

Management is focused on maximising yields at prevailing conditions while the replanting programme runs its course. The Group's operational priorities in FY2025 centred on maintaining harvesting standards, managing the disruption of an active replanting programme, and sustaining productivity across all four estates. Harvesting rounds are monitored closely to ensure FFB was collected at the optimum stage of ripeness, with loose fruit collection enforced as standard practice across all crews. Road maintenance, drainage upkeep and culvert installations were carried out on an in-house basis to reduce costs. The Group's in-house nursery operated under strict seedling selection and culling protocols, with field

preparation for new plantings adhering to Good Agricultural Practice standards including proper terracing, leguminous cover cropping for soil conservation, and conservation of riparian buffer zones. Labour availability remains a closely managed variable, with the Group continuing to recruit and retain both local employees and foreign guest workers, supported by the purpose-built worker accommodations. In the year 2025, the Group has expanded its Sustainability Department to address existing grievances and will continue to integrate sustainability principles into all aspects of estate operations. In the coming year, the Group will focus on operationalising its revised No Peat, No Deforestation, No Exploitation (NDPE) policy to its field staff and workers.

On this note, the Group would like to recognise and express appreciation for the hard work and contributions of all field staff, management team and general employees, whose efforts will bear fruit over the long term.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

STRATEGY AND KEY FOCUS AREAS IN FY2025

The Group remains committed to sustainably improving FFB production from its estates over the long term through the adoption of best agricultural management practices. Although fluctuating crude palm oil (CPO) prices are influenced by global factors beyond the Group's control, improvements in yields are critical to mitigating price volatility and this underpins the core focus of the Group's plantation operations. In FY2025, the Group's key focus areas included:



Yield and Productivity Enhancement

The Group continued to upgrade internal estate roads and install culverts to improve accessibility and support shorter harvesting intervals, reducing the risk of overripe fruit losses that directly affect both FFB yield and oil extraction quality. Recruitment of foreign guest workers remained ongoing to ensure harvesting capacity kept pace with the planted area under management. The Group's new planting programme advanced during the year, with field preparation carried out using higher-density planting configurations and improved genetic material from industry-leading suppliers. These investments in planting quality take time to materialise in production numbers, but they underpin the yield profile the Group is working toward as the immature cohort matures. With improved field practices, the Group aims to achieve targeted maturity timelines of approximately thirty (30) months.



Cost Efficiency

As cost efficiency is vital for long term competitiveness especially due to the remote location of the Group's estates, management prioritises methods which reduce production expenditure. Where possible, work activities are carried out in-house with own machinery to reduce external contracting. New tractors were deployed under the Group's fleet management programme to improve operational uptime and reduce maintenance expenditure. The Group continued to evaluate opportunities for mechanisation of key estate processes, with the objective of improving labour productivity and reducing the cost per tonne of FFB harvested over time. Cost discipline at the estate level remains a particularly important focus in FY2025 given the combination of lower production volumes and elevated input costs during the year.



Sustainability

The Group remains committed to improving and integrating sustainability principles into its plantation operations. During the year, efforts were made to ensure new plantings adhered to environmental best practices, including soil conservation in steep areas through leguminous cover crops and proper water management. Estate development was carried out with due regard for riparian buffer zones and biodiversity conservation. The Group expanded its Sustainability Department and with the help of technical partners, adopted a revised NDPE policy to better align to the requirements of buyers. At the same time, the Group updated its grievance mechanism and procedure to put it in a better place to handle potential disputes.



Human Capital Development

The Group's workforce – comprising local staff and foreign guest workers – remains central to operational performance, and the quality of the working and living environment directly influences the Group's ability to attract and retain capable field personnel. Upgrading of existing worker accommodation facilities continued during FY2025, following the completion of three purpose-built concrete housing blocks in FY2024. All employees and guest workers are provided with free on-site housing, water and electricity. Technical training programmes covering harvesting standards, fertiliser application and safety practices were conducted across the estates during the year to strengthen field competencies and maintain consistent operational standards.



Local Community Engagement

The Group recognises that its estates operate within a broader community ecosystem, and that maintaining respectful and constructive relationships with neighbouring communities is both the right approach and a practical necessity for long-term operational stability. During FY2025, the Group worked with community leaders and local authorities to align operational activities with community needs where possible. Financial assistance and donations were extended to individuals and families in need, and scholarships were awarded to local students pursuing further education. Where disagreements or concerns arise, the Group remains committed to a consultation and dispute resolution process that is fair, transparent and based on mutual respect.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

ENERGY AND FACILITIES MANAGEMENT

The Group's second business segment includes the engineering, procurement and construction of district cooling systems, the supply of cooling energy from district cooling systems and related activities, and the provision of energy and facility management services. As at FY 2025, the Group supplies cooling energy to the Pagoh Education Hub via a district cooling system and to Dataran Pahlawan Melaka Megamall ("DPMM"). The Group's associate company also continued to deliver comprehensive facility management services to four institutions of higher learning within the Pagoh Education Hub, demonstrating the Group's ability to provide end-to-end facility management solutions encompassing, finance, design, construction, operations and maintenance.

In the FY2025, the Group supplied 16.0 million Refrigeration Ton-hour (RTh) of cooling energy, a decrease of 7.7% compared to the prior year. This decrease in supply reflected decreased consumption of cooling from both project sites in Johor and Melaka. During the year however, the Group was allowed to increase tariffs for its project sites due to the revision of the TNB tariff in July 2025.

STRATEGY AND KEY FOCUS AREAS IN FY2025

The Group's strategy for the energy and facility management segment is to build a stable, growing platform for recurring income by delivering integrated cooling and facility management solutions that are energy-efficient, operationally resilient, and environmentally sustainable.

Through its engineering, procurement, construction, operation, and maintenance expertise, the Group aims to help clients lower operational costs, achieve energy savings, and reduce carbon emissions, while maintaining strong financial discipline to protect profitability and support future growth.



Enhancing Operational Efficiency and Cost Control

With revenue in this segment largely driven by long-term contracts, profitability is closely linked to disciplined cost management. The Group is focused on ensuring that plant efficiency is maintained and optimised while also exploring new technologies which may improve margins without compromising performance. Active management of trade receivables is also a priority to strengthen cash flow.



Business Expansion

The Group continues to pursue growth opportunities by expanding its portfolio of district cooling, energy optimisation, and facility management projects. The Group offers value-engineered solutions that help clients reduce energy consumption, lower greenhouse gas emissions, and optimise capital expenditure. In addition to prospecting for new clients, the Group is also open to potential acquisitions of existing facilities to accelerate the expansion of its recurring income base.



Sustainability

Sustainability is a central pillar of the Group's value proposition. By promoting district cooling as a low-carbon alternative to conventional cooling systems, the Group directly contributes to the reduction of greenhouse gas emissions and energy consumption. Ongoing investments in technologies such as thermal energy storage systems, high-efficiency chillers, and others are key to enhancing the environmental performance of the Group's operations and supporting Malaysia's broader climate objectives.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

KEY RISKS AND MITIGATION

The Group aims to manage risk with the view of minimizing adverse outcomes while maximizing shareholder interests in the long run. After identifying risks, management has taken steps to mitigate and reduce the likelihood of negative outcomes. In FY2025, the following were identified as key risks to the Group.

Risks	Description	Mitigating Strategies
 Adverse Climate Conditions	Heavy rainfall, flooding and poor weather adversely affects the quality and quantity of FFB produced from the Group's estates.	The estate will continue to adhere to its agricultural SOPs to maximise yield. Upgrading of internal and external field roads, drainage, and bridges are prioritized.
 Downturn in CPO Prices	A severe downturn in CPO prices will negatively affect the Group's revenue and profitability	The Group will strive to increase its FFB production while maintaining its strict cost control. Where possible, the Group will consider hedging strategies to minimise downside risk.
 Labour Shortage	Labour constraints of foreign workers can directly affect the harvesting output of the estate	The estate seeks out alternative sources of labour such as local workers. In addition, mechanization of key estate processes are prioritized in order to reduce the labour-land ratio.
 Credit Risk	Loss incurred due to non-payment from debtors	The Group manages its credit risk through proactive monitoring of its trade receivables as well as through initial credit checks of potential customers
 Interest Rate Risk	Increasing interest rates may impact loans undertaken and operating margins	The Group will leverage existing financing sources alongside the previous raising of fixed interest rate sukuk / bonds

PROSPECTS

The operating environment for FY2026 presents a mixed picture with challenges primarily from the ongoing Middle East conflict and its effects on energy prices and inflation. Despite this, Malaysia's economy is expected to remain on a firmer footing, with Bank Negara Malaysia projecting GDP growth of between 4.0% to 5.0% for 2026, providing a constructive domestic backdrop for the Group's operations.

For the plantations segment, the near-term outlook reflects an estate in active transition. FY2025 production was affected by the combination of an accelerated replanting programme and adverse weather conditions. Both are transitional in nature, and production is expected to recover as replanted areas progressively restore harvestable area over the coming years. On pricing, the CPO market faces a near-term headwind from the significant inventory build-up that occurred in 2025. The extent to which this overhang is absorbed will depend on global vegetable oil demand, import recovery from key markets, and whether Indonesia proceeds with its planned B50 biodiesel mandate as indicated. Malaysia's own biodiesel mandate is also likely to support prices further. Correspondingly, cost inputs especially diesel and fertiliser costs, which rose as a consequence of Middle East supply disruptions, will have to be managed given their direct impact on plantation operating costs.

The Group is optimistic on the ability of its energy and facility management division to continue to provide steady and recurrent income to the Group. It will continue to prospect, tender, and evaluate potential new projects to further expand this segment. The Wholesale and Distribution segment is expected to maintain its modest but growing contribution to Group revenue.

In 2026, management remains attentive to the challenges and opportunities that the year presents and the Group continues to prospect for new opportunities which can grow shareholder value in the long run.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of SIN HENG CHAN (MALAYA) BERHAD ("the Company") recognises the importance of practicing and maintaining good corporate governance in managing and directing the board matters and business conduct throughout the Company and its subsidiaries ("the Group") to ensure sustainable long-term growth and enhancement of shareholders' value and financial performance.

The Board believes that good corporate governance practices are pivotal towards enhancing business prosperity and corporate accountability with the ultimate objective of realising long-term shareholders value, whilst taking into account the interests of other stakeholders. Hence, the Board is fully dedicated to continuously appraise the Group's corporate governance practices and procedures to ensure that the principles and recommendations in corporate governance are applied and adhered to in the best interests of the stakeholders.

This Corporate Governance Overview Statement ("Statement") sets out the manner in which the Group has applied the three (3) principles prescribed in the Malaysian Code on Corporate Governance 2021 ("MCCG") and the extent to which it has complied with the MCCG:

Principle A: Board Leadership and Effectiveness;

Principle B: Effective Audit and Risk Management; and

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

This Statement should be read together with the Company's Corporate Governance Report for the financial year ended 31 December 2025, which is available on Bursa Malaysia Securities Berhad ("Bursa Malaysia")'s website at <http://www.bursamalaysia.com>. The Corporate Governance Report has disclosed to what extent the Company has applied the Practices set out in the MCCG.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Roles and Board Responsibilities

1.0 The Company is headed by the Board, which assumes responsibility for the Company's leadership and is collectively responsible for meeting the objectives and goals of the Company.

- 1.1 The Board takes full responsibility for the oversight and overall performance of the Group and provides leadership within a framework of prudent and effective controls which enables risk to be appropriately assessed and managed. The Board sets the strategic direction, ensuring that the necessary resources are in place for the Company to meet its objectives and deliver sustainable performance. The Board is entrusted with the responsibility in leading and directing the Group towards achieving its strategic goals and realising long-term shareholders' value.

The Board has assumed the following principal responsibilities in discharging its fiduciary duties:

- (a) Reviewing and adopting a strategic plan for the Company, addressing the sustainability of the Group's business;
- (b) Overseeing the conduct of the Group's businesses and evaluating if its businesses are being properly managed;
- (c) Identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;
- (d) Ensuring that all candidates appointed to senior management positions are of sufficient calibre, including the orderly succession of senior management personnel;
- (e) Reviewing the adequacy and integrity of the Group's internal control and management information systems;
- (f) Carrying out periodic review of the Group's financial performance, operating results and major capital commitments; and
- (g) Reviewing and approving any major corporate proposals, new business ventures or joint ventures of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. Roles and Board Responsibilities (cont'd)

1.0 The Company is headed by the Board, which assumes responsibility for the Company's leadership and is collectively responsible for meeting the objectives and goals of the Company. (cont'd)

- 1.1 To ensure the effective discharge of its function and responsibilities, the Board has delegated specific responsibilities to the following Committees:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Risk Management Committee
- (d) Sustainability Working Group
- (e) Long-Term Incentive Plan ("LTIP") Committee

All Committees have written terms of reference. These Committees are formed in order to enhance business and operational efficiency as well as efficacy. The Chairman of the respective Committees will report to the Board the outcome of the Committees meetings for the Board's considerations and approvals and extracts of such reports are incorporated in the minutes of the Board meetings. The Board retains full responsibility for the direction and control of the Group.

- 1.2 The Managing Director leads the Board and is responsible for the effective performance of the Board and implementation of business strategy. He ensures that all relevant issues and quality information to facilitate decision-making and effective running of the Group's business are included in the meeting agenda.

The roles of the Managing Director as well as terms of reference of the Committees are spelt out in detail in the Board Charter which is made available for reference on the Company's website at www.shcm.com.my.

- 1.3 The Board has delegated to the Managing Director the authority and responsibility for implementing Board policies, strategies and decisions adopted by the Board. The Managing Director takes on primary responsibility for spearheading and managing the overall business activities of the various business divisions of the Group. The Managing Director is assisted by Board members, Key Senior Management and head of each division in implementing and running the Group's day-to-day business operations.

The roles of the Chairman and Managing Director are held by different person.

The presence of the Independent Directors fulfils a pivotal role of corporate accountability. They provide unbiased and independent advice, alternative viewpoints, challenge perceptions and judgement as appropriate to take account of the interest of the Group, shareholders, employees, stakeholders and any party with whom the Group conducts business.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. Roles and Board Responsibilities (cont'd)

1.0 The Company is headed by the Board, which assumes responsibility for the Company's leadership and is collectively responsible for meeting the objectives and goals of the Company. (cont'd)

- 1.4 The Board is supported by qualified and competent Company Secretaries who facilitate overall compliance with the Companies Act 2016, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia and other laws and regulations. The Company Secretaries are the members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).

The Company Secretaries are responsible for the following in respect of effective Board operation:

- (a) Attend and ensure proper conduct and procedures at all Board Meetings, Board Committee Meetings, Annual General Meeting, Extraordinary General Meeting and any other meetings that require the attendance of Company Secretaries and ensure that meetings are properly convened;
- (b) Ensure that the quarterly financial results, audited financial statements, annual reports, circulars, etc. and all relevant announcements are announced to Bursa Malaysia on a timely basis;
- (c) Ensure that deliberations at the meetings are well captured and minuted;
- (d) Ensure that the Company complies with the MMLR and the requirements of the relevant authorities;
- (e) Keep the Board updated on the latest enhancement in corporate governance, changes in the legal and regulatory framework, new statutory requirements, and best practices;
- (f) Remind the Directors and principal officers to refrain from dealings in the Company's securities during the closed period;
- (g) Ensure proper record and maintenance of the Company's proceedings, resolutions, statutory records, register books, and documents;
- (h) Assist the Chairman to organise and co-ordinate in all the Board Committees, Board and general meetings;
- (i) Assist in compilation of board papers and serve to all Board and Board Committee Members;
- (j) Upkeep and update the statutory records;
- (k) Liaise with Internal and External Auditors to furnish them with the statutory records for audit purposes; and
- (l) As the adviser to the Board on corporate governance matters.

- 1.5 The Board meets on a quarterly basis, with additional meetings convened as and when necessary.

All Directors are notified with the notice of Board Meetings at least seven (7) days in advance. The agenda and a set of board papers were issued at least three (3) days from the date of Board Meetings so as to ensure that the Directors can appreciate the issues to be deliberated and to obtain further explanations, where necessary, to expedite the decision-making process effectively.

During the financial year ended 31 December 2025, four (4) Board Meetings were held. A brief profile of each member of the Board is set out in the Directors' Profile section of this Annual Report.

The Board recognises that the decision-making process is highly contingent on the quality of information furnished. As such, all Directors have unrestricted access to any information pertaining to the Company and the Group. All the Directors are supplied with relevant information and reports on financial, operational, corporate, regulatory, business development, and audit matters, by way of board papers or upon specific requests, for decisions to be made on an informed basis and effective discharge of Board's responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. Roles and Board Responsibilities (cont'd)

1.0 The Company is headed by the Board, which assumes responsibility for the Company's leadership and is collectively responsible for meeting the objectives and goals of the Company. (cont'd)

The Board members will be furnished with comprehensive explanations and board papers on pertinent issues and recommendations by Management. These issues are then deliberated and discussed thoroughly by the Board prior to decision-making. In addition, the Board members are updated on the Company's activities and operations on a regular basis.

External advisers are invited to attend meetings to provide insights and professional views, advice, and explanations on specific items on the meeting agenda when required. The senior management team from different business units is also invited to participate at the Board meetings to ensure that all Board members have equal access to the latest updates and developments of business operations of the Group presented by the senior management team.

All proceedings of the Board Meetings are properly recorded in the minutes of meetings by the Company Secretaries, circulated in a timely manner, and duly signed by the Chairman of the meetings. The Board also resolved and approved the Company's matters through circular resolutions during the financial year.

Every Director has full access to the advice and services of the Company Secretaries as and when required to enable them to discharge their duties effectively.

There is a formal procedure sanctioned by the Board, whether as a full Board or in their individual capacity, to seek independent professional advice at the Group's expense, where necessary in furtherance of their duties.

2.0 There is demarcation of responsibilities between the Board, Board Committees and Management. There is clarity in the authority of the Board, its Committees and Individual Directors.

The Board is guided by the Board Charter, which sets out the principles governing the Board of Directors of the Company and adopts the principles of good governance and practice in accordance with applicable laws, rules, and regulations in Malaysia. The Board Charter also sets out the respective roles and responsibilities of the Board, Board Committees, individual Directors, and Management; and issues and decisions reserved for the Board.

The Board will periodically review the Board Charter and make any changes whenever necessary. The Board Charter is published on the Company's website at www.shcm.com.my. The Board Charter was last reviewed on 28 August 2024.

3.0 The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency, and fairness. The Board, Management, employees, and other stakeholders are clear on what is considered acceptable behavior and practice in the Company.

3.1 Code of Business Conduct and Ethics

The Board has formalised a Code of Business Conduct and Ethics that sets out the basic principles to guide all the Directors, employees, and its subsidiary and associate companies. The Board shall observe and adhere to the Company's Code of Business Conduct and Ethics for Directors which provides guidance regarding ethical and behavioral considerations or actions in discharging their duties and responsibilities.

The Board will periodically review the Code of Business Conduct and Ethics to ensure it remains relevant and appropriate. The details of the Code of Business Conduct and Ethics are available for reference on the Company's website at www.shcm.com.my. The Code of Business Conduct and Ethics will be reviewed and updated from time to time.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. Roles and Board Responsibilities (cont'd)

3.0 The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency, and fairness. The Board, Management, employees, and other stakeholders are clear on what is considered acceptable behavior and practice in the Company. (cont'd)

3.2 Whistleblowing Policy and Procedures

The Board has put in place an avenue for employees and stakeholders to report genuine concerns about unethical behavior, malpractices, and illegal acts or failure to comply with regulatory requirements without fear of reprisal. All cases shall be independently investigated and appropriate actions taken where required.

The details of the Whistleblowing Policy and Procedures are available for reference on the Company's website at www.shcm.com.my. The Whistleblowing Policy and Procedures will be reviewed and updated from time to time.

3.3 Anti-Bribery and Corruption Policy

The Board has adopted the Anti-Bribery and Corruption Policy and adequate measures to address it across the Group in line with the guidelines provided under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 on 1 June 2020.

The Board believes that the policy would be key in ensuring a systematic approach to prevent corruption and complying with applicable legal and regulatory requirements in the various jurisdictions in which the Group operates. Every Director, employee, and person acting on the Group's behalf is responsible for maintaining the Group's reputation and for conducting company business honestly and professionally.

The Board is assisted by the Compliance Unit to oversee all current and future matters relating to the Anti-Bribery and Corruption Policy and Whistleblowing Policy and Procedures as well as to carry out general reporting and investigations into any whistleblowing reports.

The Compliance Unit comprises of members of senior management personnel of the Company from the Accounts & Finance Department and Human Resources & Administration Department of the Group. The Compliance Unit shall meet at least once every six (6) months.

The details of the Anti-Bribery and Corruption Policy are available for reference on the Company's website at www.shcm.com.my. The Anti-Bribery and Corruption Policy will be reviewed and updated from time to time.

The Anti-Bribery and Corruption Policy are made known to all the staff of its Group and its stakeholders.

3.4 Sustainability of Business

The Board, together with the Management, shall endeavour to implement sustainability strategies that yield environmental, economic, and social benefits to all its various stakeholders and the communities in which it operates to ensure the long-term viability and sustainability of the Company's business.

The Board is assisted by the Sustainability Working Group to ensure a quick response to any critical sustainability-related issues, monitor and track data to ensure the success of the Group's sustainability programs, report its findings to the Board, and set targets for key initiatives and sustainable growth plans while providing guidance on operational functions.

The Sustainability Working Group comprises members of senior management personnel of the Company from the Accounts & Finance Department and Human Resources & Administration Department of the Group.

As a fiduciary duty to the Company's shareholders in upholding exemplary corporate governance practices, marked by dedication to ethics, integrity, and corporate responsibility, Urun Plantations Sdn. Bhd., being the subsidiary of the Company, has adopted the Sustainability Policy on 22 October 2025 that outlines the Group's commitment to sustainable and responsible operations in the agriculture industry. The details of the Sustainability Policy are available for reference on the Company's website at www.shcm.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition

4.0 Board decisions are made objectively in the best interests of the Company, taking into account diverse perspectives and insights.

- 4.1 Currently, as of today, the Board consists of six (6) members; comprising one (1) Managing Director, one (1) Executive Director, one (1) Non-Independent Non-Executive Director, and three (3) Independent Non-Executive Directors. The composition of the Board complies with paragraph 15.02 of the MMLR of Bursa Malaysia.

At least half of the Board comprises Independent Directors, which is in compliance with the MCCG.

The Group is led and controlled by an experienced Board, many of whom have vast knowledge of the business. There is a clear division of responsibility between the Chairman and the Managing Director to ensure a balance of power and authority. The Chairman is responsible for ensuring the Board's effectiveness and conduct, monitoring the monthly results to ensure they meet the budget and goals. The Managing Director and Executive Director are responsible for the day-to-day management of the business as well as the implementation of the Board's policies and decisions.

The Non-Executive Directors provide checks and balances, which contribute significantly in areas such as policy and strategy, performance monitoring, allocation of resources, as well as improving governance and controls, and provide unbiased and independent views to safeguard the interest of the shareholders. Together with the Managing Director, who has in-depth knowledge of the business acumen, the Board constitutes of individuals who are committed to business, coupled with integrity and professionalism in all its activities.

Mr. Mak Hon Weng is the Chairman of the Board, whilst the Managing Director is YBhg. Dato' Choo Keng Weng.

The Board considers that the current size of the Board is adequate and facilitates effective decision-making.

None of the Directors control the Board decision. The Board decision is based on majority rule.

- 4.2 The Board noted the MCCG recommends that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. In the event such a director is to be retained as an Independent Director, the Board must justify and seek annual shareholders' approval. If the Board continues to retain the Independent Director after the ninth (9th) year, annual shareholders' approval must be sought through a two-tier voting process to retain the said Director as an Independent Director. Upon completion of the twelfth (12th) year, an Independent Director may continue to serve on the Board subject to his re-designation as a Non-Independent Director.

Presently, Mr. Mak Hon Weng is an Independent Non-Executive Director of the Company whose tenure has exceeded a cumulative term of twelve (12) years.

Mr. Mak Hon Weng's contribution and independence judgement were deliberated at the Nomination and Remuneration Committee meeting held on 25 February 2026. The Nomination and Remuneration Committee members were satisfied with Mr. Mak Hon Weng who always ensures that he upheld independent judgement and committed to the Board without any compromise in decision-making process. The Board believes that his years of experience in banking industry will enable him to provide the Board with a diverse set of experience, expertise, and independent judgement. He also always performed his duty diligently and in the best interest of the Company and provides a broader view, independent and balance assessment of proposal from the Management.

Following to aforesaid value-added services to the Board and the Company. The Nomination and Remuneration Committee has recommended to the Board to retain Mr. Mak Hon Weng but to re-designate his position to Non-Independent Non-Executive Director of the Company after conclusion of 64th Annual General Meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition (cont'd)

4.0 Board decisions are made objectively in the best interests of the Company, taking into account diverse perspectives and insights. (cont'd)

- 4.3 The Board recognises the importance of independence and objectivity in the decision-making process. The Board is committed to ensure that the Independent Directors are capable of exercising independent judgement and acting in the best interests of the Group. The Independent Directors of the Company fulfil the criteria of "Independence". They are independent from Management and do not have any other relationship with the Group that may impair their independent judgement and decision-making. Each Director has a continuing responsibility to determine whether he/she has a potential or actual conflict of interest in relation to any material transactions. The Director is required to immediately disclose to the Board and to abstain from participating in discussions, deliberations, and decisions of the Board on the respective matters.

The Board, via the Nomination and Remuneration Committee and guided by the Corporate Governance Guide – Towards Boardroom Excellence, has developed the criteria to assess independence and formalised the current independence assessment practice. The evaluation process also involved a peer and self-review assessment, where Directors will assess their own performance and that of their fellow Directors. These assessments and comments by all Directors were summarised and discussed at the Nomination and Remuneration Committee meeting, which were then reported to the Board at the Board Meeting held thereafter. Each Independent Director abstained from deliberation on his own assessment. The Nomination and Remuneration Committee was satisfied that the Independent Directors still maintain their independence.

III. Board Meetings

- 4.4 The Board meets at least four (4) times a year at quarterly intervals, with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. Besides Board meetings, the Board also exercises control on matters that require the Board's approval through Directors' Circular Resolutions. Amongst others, key matters such as approval of annual and quarterly results, financial statements, major acquisitions and disposals, major investments, and appointment of Directors are discussed and decided by the Board.

The dates scheduled for Board meetings, Board Committee meetings, and the Annual General Meeting are set in advance and circulated to the Directors to facilitate their time planning. The Directors' Circular Resolutions are used for the determination of urgent matters arising between meetings. In accordance with Article 136 of the Constitution of the Company, a signed and approved resolution by a majority of the Directors present in Malaysia and who are sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

III. Board Meetings (cont'd)

4.0 Board decisions are made objectively in the best interests of the Company, taking into account diverse perspectives and insights. (cont'd)

During the financial year ended 31 December 2025, the Board met four (4) times to deliberate and consider matters relating to the Group's financial performance, operations, corporate governance, business development, and any other matters requiring the Board's approval. All the current Directors demonstrated their commitment by devoting sufficient time to discharge their duties, as evidenced by their attendance at the Board Meetings. In addition, all Directors of the Company do not hold more than five directorships, in compliance with paragraph 15.06 of the MMLR of Bursa Malaysia. The details of each Director's attendance are set out below:

Name of Directors and Designation	Number of Meetings Attended
Mr. Mak Hon Weng (Chairman/Independent Non-Executive Director)	4/4
YBhg. Dato' Choo Keng Weng (Managing Director/Executive Director)	4/4
Mr. Choo Kin Choong (Group General Manager/Executive Director)	4/4
Mr. Thomas Tuan Kit Kwong (Non-Independent Non-Executive Director)	4/4
YM. Tunku Azlan bin Tunku Aziz (Independent Non-Executive Director)	4/4
Puan Erna Syafina binti Abdul Rahman (Independent Non-Executive Director)	4/4

All the Directors have full Board attendance. The Board has complied with the requirement to attend at least 50% of the Board meetings held in the financial year pursuant to the MMLR of Bursa Malaysia.

IV. Nomination and Remuneration Committee ("NRC")

Nomination function and procedures

5.0 Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Director.

- 5.1 The NRC of the Company comprises exclusively Independent Non-Executive Directors, and its composition is as follows:
 - YM. Tunku Azlan bin Tunku Aziz (Chairman, Independent Non-Executive Director)
 - Mr. Mak Hon Weng (Member, Independent Non-Executive Director)
 - Puan Erna Syafina binti Abdul Rahman (Member, Independent Non-Executive Director)
- 5.2 The details of the terms of reference of the NRC are available for reference on the Company's website at www.shcm.com.my.
- 5.3 The NRC held one (1) meeting during the financial year ended 31 December 2025, and all members were present at the meeting and carried out the following activities and were satisfied with the results:
 - Conducted an annual assessment to evaluate the effectiveness of the Board and the Board Committees as well as the performance of each individual Director;
 - Reviewed the present composition of the Board and the Board Committees and were satisfied that they have adequately carried out their functions within their scope of work;
 - Assessed the independence of the Independent Directors;

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

IV. Nomination and Remuneration Committee ("NRC") (cont'd)

Nomination function and procedures (cont'd)

5.0 Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Director. (cont'd)

- 5.3 The NRC held one (1) meeting during the financial year ended 31 December 2025, and all members were present at the meeting and carried out the following activities and were satisfied with the results: (cont'd)
- Reviewed and assessed the structure, size, required mix of skills, experience, diversity, and other qualities, including core competencies and effectiveness of the Board, as a whole and the Board Committees;
 - Reviewed and assessed the contribution of each individual Director based on criteria, responsibilities, strength, time commitment, and ability to act in the best interests of the Company in decision-making;
 - Reviewed and recommended to the Board the re-election of Directors who retired in accordance with the Constitution of the Company;
 - Reviewed and recommended to the Board for the re-appointment of a director who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years and to seek shareholders' approval at the forthcoming Annual General Meeting;
 - Reviewed the term of office and performance of the Audit Committee and each of its members to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference;
 - Assessed the independence of each of the existing Independent Directors with each Director abstaining from deliberation on his own assessment;
 - Reviewed the terms of reference of NRC; and
 - Assessed the records for new appointment and went through the evaluation in terms of professionalism, integrity, industry experience, and guided Directors' Fit and Proper Policy.
- 5.4 The Board appoints its members through a formal and transparent selection process, which is consistent with the Constitution of the Company. This process has been reviewed, approved, and adopted by the Board. New appointees will be considered and evaluated by the NRC. The NRC will then recommend the candidates to be approved and appointed by the Board. The Company Secretaries will ensure all appointments are properly made and that legal and regulatory requirements are met.

The appointment process of a new Director summarised as follows:

- (i) To source for individuals with the right calibre who meet the needs and criteria set. The source can be from the pool of professional bodies or recommendation from the Management or Company Secretaries;
- (ii) To go through the assessment process guided by the Directors' Fit and Proper Policy and checklist from MMLR of Bursa Malaysia;
- (iii) In evaluating the suitability of candidates to the Board, the NRC considers, inter-alia, the required mix of skills, expertise, experience, time commitment, and contribution of the candidates can bring to the Board. In the case of candidates proposed for appointment as Independent Non-Executive Directors, the candidate's independence will be considered;
- (iv) Recommendation to be made by the NRC to the Board. This also includes recommendation for appointment as a member of the various Board Committees, where necessary; and
- (v) Decision to be made by the Board on the proposed new appointment including appointment to the various Board Committees.

The appointment of new Board members and Key Senior Management will be guided by the skills, competencies, knowledge, experience, commitment, and integrity of the candidate.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

IV. Nomination and Remuneration Committee ("NRC") (cont'd)

Nomination function and procedures (cont'd)

5.0 Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Director. (cont'd)

- 5.5 The Board does not establish any diversity policy for the Board and workforce in terms of gender, age, and ethnicity or setting any target as the Board is of the view that the appointment of Directors and employees should be based strictly on merits and not driven by any nationality, racial, age, or gender bias.

The Group does not adopt any formal gender diversity policy in the selection of new Board candidates and does not have specific policies on setting target for female candidates in the workforce. The evaluation of the suitability of candidates as the new Board member or as a member of the workforce is based on the candidates' competency, skills, character, time commitment, knowledge, experience, and other qualities in meeting the needs of the Group, regardless of gender.

The Group gives an equal opportunity to all its employees and does not practise discrimination of any form, whether based on age, gender, race, and religion, throughout the organisation.

- 5.6 The Constitution of the Company provides that all Directors of the Company are subject to retirement. At least one-third (1/3) of the Directors for the time being, or the number nearest from office at the Annual General Meeting, provided always that all Directors shall retire from office at least once in every three (3) years. A retiring Director shall be eligible for re-election. This provides an opportunity for shareholders to renew their mandates. Newly appointed Directors shall hold office only until the next Annual General Meeting and shall be eligible for re-election.

The election of each Director is voted on separately. To assist shareholders in their decision, sufficient information such as personal profile, meetings attendance, and their shareholdings in the Group of each Director standing for election are furnished in the Annual Report accompanying the Notice of Annual General Meeting.

The NRC is also responsible for recommending to the Board those Directors who are eligible to stand for re-election/re-appointment based on the reviews of their performance and their contribution to the Board through their skills, experience, qualities, and ability to act in the best interests of the Company in decision-making.

The NRC assessed and was satisfied and made recommendations to the Board for re-election/re-appointments with regards to the following:

- (i) The re-election of the Director, Mr. Mak Hon Weng, who is due for retirement but shall be eligible for re-election pursuant to Article 94 of the Company's Constitution at the forthcoming 64th Annual General Meeting; and
- (ii) The re-election of the Director, YM. Tunku Azlan bin Tunku Aziz, who is due for retirement but shall be eligible for re-election pursuant to Article 94 of the Company's Constitution at the forthcoming 64th Annual General Meeting.

The profiles of these Directors are set out on pages 4 to 5 of the Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

IV. Nomination and Remuneration Committee ("NRC") (cont'd)

Nomination function and procedures (cont'd)

5.0 Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Director. (cont'd)

- 5.7 All Directors have completed the Mandatory Accreditation Programme prescribed by Bursa Malaysia. Directors are encouraged to attend various external professional programmes deemed necessary to ensure that they are kept abreast of various issues facing the changing business environment within which the Group operates. Directors are also encouraged to evaluate their own training needs on a continuous basis and recommend to the Board for the relevant programmes, seminars, briefings, or dialogues available that would best enable them to enhance their knowledge and contributions to the Board by actively participate in Board deliberation and effectively discharge their duties.

The training and development programmes attended by the Directors during the financial year:

Name of Directors	Date	Training Attended
Mr. Choo Kin Choong	25/06/2025	Preparing for the Expanded SST: Implications for the Palm Oil Industry Confirmation
	04/07/2025	AI for Smart Productivity
	30/07/2025	Affin Hwang Investment Bank and Bursa Malaysia: East Malaysia Corporate Drive with SOPPOA
	18/11/2025 – 20/11/2025	PIPOC 2025: Transforming Today Empowering Tomorrow Through Innovation
Puan Erna Syafina binti Abdul Rahman	25/07/2025 – 26/07/2025	Kuala Lumpur Architecture Festival 2025

Most of the Directors have been with the Company for several years and are familiar with their duties and responsibilities as Directors. Wherever there is a new Board member being appointed, he/she will be given briefings and orientation by the Managing Director and Key Senior Management of the Company on the business activities of the Group and its strategic directions, as well as their duties and responsibilities as Directors.

The Directors are regularly updated on statutory and regulatory requirements and the impact and implication to the Group and Directors in carrying out their duties and responsibilities. In addition, the Directors also receives briefings and updates on any new regulatory and rules that may affect the Group's businesses and operations, risk management activities, and technology initiatives on a regular basis.

The Company Secretaries keep the Board Members abreast on the relevant revised guidelines on MMLR and implementation and their impact on the Companies Act 2016, MCCG, provisions of Section 17A on corporate liability of the Malaysian Anti-Corruption Commission Act 2009 and adequate procedures.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

IV. Nomination and Remuneration Committee ("NRC") (cont'd)

Nomination function and procedures (cont'd)

5.0 Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Director. (cont'd)

5.8 The evaluation involves each and respective Director and Committee member completing separate evaluation questionnaires regarding the processes of the Board and its Committees, their effectiveness and where improvements could be considered. The criteria for the evaluations are guided by the Corporate Governance Guide – Towards Boardroom Excellence. The Audit Committee carried out its evaluation with the view to maximise the performance of the Committee in the interest of the Company. The evaluation process also involved a peer and self-review assessment, where Directors will assess their own performance and that of their fellow Directors. These assessments and comments were summarised and discussed at the NRC meeting, which were then reported to the Board at the Board Meeting held thereafter. The NRC evaluated all the above Assessment Forms at the NRC Meeting held on 25 February 2026 and was satisfied with the performance of the Board and Board Committees as well as the performance of individual Director.

Remuneration function and procedures

6.0 The level and composition of remuneration for Directors and Key Senior Management take into account the size of the Group and the Company's desire to attract and retain the right talent in the Board and Key Senior Management to drive the Company's long-term objectives. The remuneration policies and decisions are made through a transparent and independent process.

The NRC is responsible for establishing and reviewing the policy of remuneration framework and recommending to the Board the remuneration packages of all Directors based on their skills, level of responsibilities, experience, and performance.

The remuneration of Directors is determined at levels that enable the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively. The NRC reviews the Board remuneration policy and terms of conditions of service of each Director annually, taking into consideration market conditions and comparisons, responsibilities held, business strategy, long-term objectives, and the overall financial performance of the Group.

The NRC also responsible to review the remuneration packages of the Non-Executive Directors of the Company and thereafter recommends to the Board for their consideration. Non-Executive Directors are paid by way of directors' fees and a meeting allowance for each meeting attended. Individual Director is refrained from deliberating on his/her own remuneration.

The Board will then recommend the Directors' fees and other benefits payable to Directors to the shareholders for approval at the Annual General Meeting in accordance with Section 230(1) of the Companies Act 2016.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

IV. Nomination and Remuneration Committee ("NRC") (cont'd)

Remuneration function and procedures (cont'd)

7.0 Stakeholders are able to assess whether the remuneration of Directors and Key Senior Management is commensurate with their individual performance, taking into consideration the Company's performance.

7.1 The details of the Directors' remuneration received during the financial year ended 31 December 2025 are set out as below:

Name	Salary and Other Emoluments [^] (RM)	Fees (RM)	Defined Contribution Plan* (RM)	Total (RM)
Executive Directors				
YBhg. Dato' Choo Keng Weng	1,235,000	50,000 [#]	136,800	1,421,800
Mr. Choo Kin Choong	484,893	50,000 [#]	77,360	612,253
Total for Executive Directors	1,719,893	100,000	214,160	2,034,053
Non-Executive Directors				
Mr. Mak Hon Weng	22,000	35,000 [@]	-	57,000
Mr. Thomas Tuan Kit Kwong	5,000	35,000 [@]	-	40,000
YM. Tunku Azlan bin Tunku Aziz	22,000	35,000 [@]	-	57,000
Puan Erna Syafina binti Abdul Rahman	10,000	35,000 [@]	-	45,000
Total for Non-Executive Directors	59,000	140,000	-	199,000
Grand Total	1,778,893	240,000	214,160	2,233,053

Notes:

[^] Other emoluments consist of bonus, benefit-in-kind, other allowances, etc.

^{*} Defined contribution plan is the contribution to Employees Provident Fund (EPF).

[@] Received from the Company.

[#] Received from the Group, including subsidiaries of Sin Heng Chan (Malaya) Berhad.

7.2 Remuneration disclosure for top five (5) Key Senior Management

The Board is of the view that the disclosure of top five (5) Key Senior Management's remuneration on named and in bands basis would not be in the best interest of the Company due to confidentiality and sensitivity concerns.

The Company believes that disclosure of detailed remuneration of its top five (5) Key Senior Management in bands may be detrimental to its own interest due to the scarcity of human resources with the requisite experience, expertise, and knowledge in the Company's business environment, and the competitive nature of other companies seeking to acquire such resources.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

8.0 There is an effective and independent Audit Committee. The Board is able to objectively review the Audit Committee's findings and recommendations. The Company's financial statements is a reliable source of information.

- 8.1 The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements and quarterly announcement of financial results. The Board is assisted by the Audit Committee ("AC") to oversee the Group's financial reporting processes and the quality of its financial reporting.

The AC comprises of all Independent Directors. The composition of the Committee as follows:

- YM. Tunku Azlan bin Tunku Aziz (Chairman, Independent Non-Executive Director)
- Mr. Mak Hon Weng (Member, Independent Non-Executive Director)
- Puan Erna Syafina binti Abdul Rahman (Member, Independent Non-Executive Director)

The Chairman of the AC, YM. Tunku Azlan bin Tunku Aziz is not the Chairman of the Board.

The details of the terms of reference of the AC are available for reference on the Company's website at www.shcm.com.my.

Annually, the composition of the AC is reviewed by the NRC and recommended to the Board for approval. The NRC ensures that only an Independent Non-Executive Director who is financially literate, has the relevant expertise and experience, and a strong understanding of the Company's business would be considered for the AC appointment. All the AC members will continue to attend training to keep themselves abreast of recent developments in accounting and auditing standards, practices, rules, and regulations.

- 8.2 The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of their results and cash flows for the financial year then ended. In preparing the financial statements, the Directors ensure that applicable approved accounting standards in Malaysia, the provisions of the Companies Act 2016 and the MMLR of Bursa Malaysia have been applied.

In preparing the financial statements, the Directors have selected and applied consistently appropriate accounting policies and made reasonable and prudent judgements and estimates where applicable.

The Directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Board is satisfied that it has met its obligation to present a balanced and comprehensive assessment of the Company's position and prospects in the Directors' Report and the Financial Statements of this Annual Report.

- 8.3 An internal compliance framework exists to ensure that the Group meets its obligations relating to related party transactions under the MMLR. The Board, through its AC, reviews and reports to the Board any related party transactions (including recurrent related party transactions) and conflict of interest situations that may arise within the Company or the Group. A Director who has an interest in a transaction must abstain from deliberation and voting on the relevant resolution in respect of such transaction at the Board and any general meeting convened to consider such matters.

Further details of these transactions are set out in the Circular to Shareholders in relation to Recurrent Related Party Transactions dated 30 April 2026.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

I. Audit Committee (cont'd)

8.0 There is an effective and independent Audit Committee. The Board is able to objectively review the Audit Committee's findings and recommendations. The Company's financial statements is a reliable source of information. (cont'd)

8.4 The AC assesses the suitability and independence of the External Auditors on an annual basis. Areas of assessment include, amongst others, the External Auditors' objectivity and independence, audit fees, size and competency of the audit team, audit strategy, audit reporting and partner involvement. The inputs/opinions from the Company's personnel who had constantly contacted with the external audit team throughout the year would also be used as a tool in the judgement of the suitability of the External Auditors.

The External Auditors, in supporting their independence, will provide the AC with a written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. The External Auditors have provided such a declaration in their annual audit plan presented to the AC of the Company during the financial year.

The External Auditors of the Company fulfil an essential role on behalf of the Company's shareholders in giving an assurance to the shareholders on the reliability of the financial statements of the Company and the Group.

The External Auditors have an obligation to bring to the attention of the Board, the AC and the Company's Management any significant defects in the Group's systems of reporting, internal control, and compliance with applicable approved accounting standards and the requirements of the Companies Act 2016 in Malaysia.

The External Auditors of the Company are invited to attend at least two (2) meetings with the AC a year to discuss their audit plan and audit findings on the Company's annual financial statements. In addition, the AC will also have private sessions with the External Auditors without the presence of the Management to enable exchange of views on issues requiring attention.

During the financial year, the amount of audit fees and non-audit fees paid or payable to the External Auditors of the Group and of the Company during the financial year ended 31 December 2025 were as follows:

	Group (RM)	Company (RM)
Audit fees	142,000	55,000
Non-audit fees	9,000	5,000
Total	151,000	60,000

The non-audit fees were in respect of agreed-upon procedures performed on the review of Directors' Statement on Risk Management and Internal Control ("SORMIC") and the review of Finance Service Cover Ratio ("FSCR") of Sukuk Wakalah.

In considering the nature and scope of non-audit fees, the AC was satisfied that they were unlikely to create any conflicts or impair the independence and objectivity of the External Auditors.

The AC and the Board are satisfied with the performance, competence, and independence of the External Auditors, and the Board has recommended their re-appointment for shareholders' approval at the forthcoming 64th Annual General Meeting.

The key features underlying the relationship of the AC with External Auditors are included in the AC's terms of reference as detailed in the Audit Committee Report section of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

II. Risk Management and Internal Control Framework

9.0 The Company makes informed decisions on the level of risk appetite and implements the necessary controls to manage and mitigate the risks. The Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the Company's objectives is mitigated and managed.

- 9.1 The Board has the ultimate responsibility for reviewing the Company's risks, approving the risk management framework and policy, and overseeing the Company's strategic risk management and internal control framework to achieve its objectives within an acceptable risk profile, as well as safeguarding the interests of stakeholders, shareholders, and the Group's assets.
- 9.2 The Risk Management Committee comprises the senior management team, which reports the risk profile and risk management framework to the AC on a quarter basis. The primary responsibility and purpose of the AC are to assist the Board in fulfilling its responsibility with respect to evaluating, reviewing, and monitoring the Group's risk management framework and activities on an on-going basis. The AC reports to the Board regarding the Group's risk exposures, including reviewing the risk assessment model used to monitor the risk exposures and Management's view on the acceptable and appropriate level of risks faced by the Group's Business Unit.

The key features of the risk management framework are presented in the Statement on Risk Management and Internal Control of the Company as set out on pages 43 to 45 of this Annual Report.

10.0 The Company has an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

The internal audit function is outsourced to a professional firm, which reports directly to the Audit Committee.

The Statement on Risk Management and Internal Control provided on pages 43 to 45 of the Annual Report gives an overview of the state of internal controls within the Group, in an effort to manage risk.

The Board recognises the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate, and timely disclosures of material information relating to the Company and its subsidiaries to be made to the regulators, shareholders, and stakeholders. On this basis, the Board has formalised pertinent policies and procedures not only to comply with the disclosure requirements stipulated in the MMLR of Bursa Malaysia but also to outline the persons authorised and responsible for approving and disclosing material information to regulators, shareholders, and stakeholders.

The material information will be released publicly via Bursa Malaysia. Members of the public can also obtain the full financial results and the announcements of the Company from the Bursa Malaysia's website.

The Company's website at www.shcm.com.my is regularly updated and provides relevant information on the Company that is accessible to the public to make informed investment decisions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

I. Communication with Stakeholders

11.0 There is continuous communication between the Company and stakeholders to facilitate mutual understanding of each other's objectives and expectations. Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility.

The Board believes that a constructive and effective investor relationship is essential in enhancing shareholders' value and recognises the importance of timely dissemination of information to shareholders.

In addition to shareholder participation at general meetings, the Board also encourages other channels of communication with shareholders. For this purpose, shareholders and other stakeholders may convey their concerns relating to the Company to the Independent Director, YM. Tunku Azlan bin Tunku Aziz, at the contact details provided in the Corporate Information section of this Annual Report.

The policy of the Company is to maintain an active dialogue with its shareholders with the intention of giving its shareholders as clear and complete information of the Company's financial performance, major developments, and position as possible. Such information is communicated through the Annual Report, various disclosures and announcements to Bursa Malaysia, including quarterly and annual results, and the corporate website.

II. Conduct of General Meetings

12.0 Shareholders are able to participate, engage the Board and Senior Management effectively and make informed voting decisions at general meetings.

12.1 The Annual General Meeting is the principal forum for dialogue and interaction with shareholders.

The key element of the Company's dialogue with its shareholders is the opportunity to gather views of, and answer questions from, both the individual and institutional investors on all aspects relevant to the Company at the Annual General Meeting. It is also a requirement for the Company to send the Notice of the Annual General Meeting and related circular to its shareholders at least twenty-eight (28) days before the meeting. At the Annual General Meeting, shareholders are encouraged to ask questions about the resolutions being proposed or the Group's operations in general. All questions raised were addressed at the Annual General Meeting. Where it is not possible to provide immediate answers, the Chairman will undertake to furnish the shareholders with a written answer after the Annual General Meeting.

12.2 All resolutions set out in the notice of general meetings will be carried out by poll voting. The detailed results showing the number of votes cast for and against each resolution at general meetings to facilitate greater shareholders participation were released to the public after the conclusion of each general meeting.

12.3 The Company embraces technological advancement by facilitating members to participate in meeting via online platform and remote poll voting at the Annual General Meeting held in 2024. This approach upholds health safety and enables broader geographically access for members to participate.

12.4 The online meeting with remote poll voting is in line with the MCCG, aiming to encourage more participants from nationwide to participate in the Annual General Meeting and vote in absentia.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

COMPLIANCE STATEMENT

Saved as disclosed above, the Board is satisfied that throughout the financial year ended 31 December 2025, the Company has applied the principles and recommendations of the corporate governance set out in MCCG, where necessary and appropriate.

The Board is required to present the financial statements for each financial year that have been prepared in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs, results, and cash flows of the Group and of the Company.

The Board is satisfied that the Group has used the appropriate accounting policies and applied them consistently and supported by reasonable prudent judgement and estimates, including the adoption of new and revised MFRSs where applicable, in preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2025. The Board is also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

The Board has also taken all necessary steps to ensure that proper internal controls are in place to safeguard the assets of the Group and to detect and prevent fraud and other irregularities.

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board dated 23 April 2026.

AUDIT COMMITTEE REPORT

The primary objective of the Audit Committee ("AC") is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting process and internal control system.

The AC has adopted practices aimed at maintaining appropriate standards of responsibility, integrity and accountability to all the Company's shareholders.

MEMBERSHIP

The AC is appointed by the Board and consists exclusively of Independent Non-Executive Directors. The AC comprises the following members:

Chairman

YM. Tunku Azlan bin Tunku Aziz : Independent Non-Executive Director
(Member of the Malaysian Institute of Accountants)

Members

Mr. Mak Hon Weng : Independent Non-Executive Director
(Member of the Malaysian Institute of Accountants)

Puan Erna Syafina binti Abdul Rahman : Independent Non-Executive Director

MEETINGS

There were four (4) AC meetings held during the financial year 2025 and record of attendance for meetings detailed below:

Name of Committee Members	Designation	Attendance
YM. Tunku Azlan bin Tunku Aziz	Chairman	4/4
Mr. Mak Hon Weng	Member	4/4
Puan Erna Syafina binti Abdul Rahman	Member	4/4

In addition to the AC members, the Head of Finance, the Heads of Departments, the Internal Auditors, the Compliance Officer, and the Company Secretaries shall attend the meeting as invitees. Representatives of the External Auditors shall attend meetings where matters relating to the audit of the statutory accounts are to be discussed and to present the Audited Financial Statements at the specific meeting. Other Board members, Senior Management and employees may attend the meeting upon the invitation of the AC Chairman. The AC shall meet with the External Auditors without the presence of the Executive Directors and the Management at least once a year.

The Company Secretaries shall serve as the secretary of the AC. Notice of meetings and supporting documents are to be circulated to AC members at least seven (7) days prior to the meeting so as to provide them with relevant and timely information for effective discussions during the meeting. The AC Chairman shall report on each meeting to the Board.

Any resolution in writing signed by all AC members shall be as valid and effectual as if it had been passed at a meeting of the AC duly convened and held. Such resolution may consist of several documents in the like form, each signed by one or more members of the AC.

The AC members have undergone relevant training during the financial year to be apprised of regulatory changes and to stay abreast of contemporary issues that may affect the Group. Details of the AC members' training are shown in the Company's Corporate Governance Overview Statement included in this Annual Report.

AUDIT COMMITTEE REPORT

(CONT'D)

AUTHORITY

The Committee shall, in accordance with a procedure to be determined by the Board and at the cost of the Company:

- (a) have the authority to investigate any matter within its terms of reference;
- (b) have adequate resources and unrestricted access to any information from the Company Secretaries, both Internal and External Auditors, and all employees of the Group in performing its duties;
- (c) have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity;
- (d) have the authority to obtain external legal or other independent professional advice and to invite professionals with relevant expertise to attend, if necessary;
- (e) have the authority to convene meetings with the External Auditors, the Internal Auditors, or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary; and
- (f) review annually the allocation of Long-Term Incentive Plan ("LTIP") granted to eligible Directors and Major Shareholders of SHC Group, which comprises the Employees' Shares Option Scheme ("ESOS") and Share Grant Plan ("SGP") of up to 15% of the total number of issued shares in SHC (excluding treasury shares, if any).

SUMMARY OF ACTIVITIES UNDERTAKEN BY THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR

In line with the terms of reference of the AC, the following activities were carried out by the AC during the financial year ended 31 December 2025 in discharging its fiduciary duties:

Financial Performance & Reporting

- Reviewed the unaudited quarterly financial announcements and annual financial statements of the Group prior to submission to the Board for their perusal and approval. This was to ensure compliance with the provisions of the Companies Act 2016, the Malaysian Financial Reporting Standards, the International Financial Reporting Standards and applicable Listing Requirements of Bursa Malaysia Securities Berhad.
- Reported to the Board on significant audit issues and concerns discussed during the AC meetings which have a significant impact on the Group from time to time, for consideration and deliberation by the Board.
- Reviewed the Audit Committee Report and the Statement on Risk Management and Internal Control prior to submission of the same to the Board for consideration and inclusion in the Annual Report of the Company.
- Reviewed the Risk Management Report on the business operation, risk profile, and risk management.
- The dates the Committee met during the financial year to deliberate on financial reporting matters are appended below:

Date of meetings	Financial reporting statements reviewed
27 May 2025	Unaudited quarterly report on consolidated results of the Group for the first quarter ended 31 March 2025.
27 August 2025	Unaudited quarterly report on consolidated results of the Group for the second quarter ended 30 June 2025.
26 November 2025	Unaudited quarterly report on consolidated results of the Group for the third quarter ended 30 September 2025.
25 February 2026	Unaudited quarterly report on consolidated results of the Group for the fourth quarter ended 31 December 2025.

AUDIT COMMITTEE REPORT (CONT'D)

External Auditors

- Discussed and reviewed the External Auditors' audit planning memorandum for the financial year ended 31 December 2025, outlining their auditors' responsibilities, engagement team, engagement quality reviewer, materiality, significant risks and areas of audit focus, consideration of fraud, internal control and risk of management override, involvement of Internal Auditors and management's experts, involvement of component auditors, audit timeline, independence policies and procedures, and audit fees.
- Deliberated on the External Auditors' report at its meeting with regard to the relevant disclosures in the audited financial statements for the financial year ended 31 December 2025.
- Reviewed the External Auditors' findings arising from audits, particularly comments and responses on areas of audit emphasis and key audit matters, as well as appropriate actions to be addressed.
- Discussed and reviewed with the External Auditors the applicability and the impact of the new accounting standards and financial reporting developments issued by the Malaysian Accounting Standards Board.
- Held a dialogue session with the External Auditors, without the presence of the Executive Directors and Management.
- Reviewed and evaluated the performance and effectiveness of the External Auditors. The AC assessed the integrity, capability, professionalism, and work ethics of the External Auditors. After deliberation, the AC was satisfied with the External Auditors' performance and recommended to the Board their re-appointment at the forthcoming Annual General Meeting.
- Reviewed the audit fees, the number and experience of audit staff assigned to the audit engagement, resources, and effectiveness of the External Auditors.
- Received reports from the External Auditors on their own policies regarding independence and the measures taken to control the quality of their work.
- The AC had numerous meetings with the External Auditors during the financial year ended 31 December 2025 i.e. on 26 November 2025 and 25 February 2026 respectively, to discuss on audit planning memorandum and audit status results.

Internal Audit

- Reviewed the scope of work and internal audit plan for the Group prepared by the Internal Auditors.
- Reviewed the Internal Audit Reports for the financial year ended 31 December 2025 from the Internal Auditors and assessed the findings, recommendations, and Management's comments.
- Reviewed and assessed Internal Auditors based on staff strength, resources, professional integrity, independence, familiarity with the Group's operation, and reputation, recommending to the Board the re-appointment of Internal Auditors.
- Reviewed the adequacy and performance of internal audit function and the comprehensiveness of its coverage of activities within the Group.
- The AC had numerous meetings with the Internal Auditors during the financial year ended 31 December 2025 i.e. on 27 August 2025 and 26 November 2025 respectively, to discuss internal audit findings and follow-up audit reviews of the Internal Audit Reports.

AUDIT COMMITTEE REPORT

(CONT'D)

Related Party Transaction ("RPT") and Conflict of Interest ("COI")

All Board members will disclose if they have any RPT during the quarter at each quarterly Board meeting.

At each quarterly meeting, the AC reviewed the RPT and if there is any COI or potential COI that may arise within the Company and its Group, including any transaction, procedure, or course of conduct that raises questions of management integrity.

It is the duty of the AC to review the RPT and Recurrent RPT ("RRPT") to ensure they are fair, reasonable, and on normal commercial terms and in the best interest of the Company before the Company enters into such transactions. All RRPTs must be at arm's length transactions.

The AC must ensure:

- (a) Adequate oversight over the controls on the identification of the interested parties and identification of the RPT and possible matters of COI; and
- (b) Assess and address the reasonableness of the RPT and COI to ensure that interested parties do not abuse their powers to gain unfair advantages.

During the financial year under review, there were no cases of unusual RPT or COI reported.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to Messrs Baker Tilly Monteiro Heng Governance Sdn. Bhd., a professional firm specialising in providing internal audit and risk advisory services to commercial organisations, whether listed or not, including multinational organisations. The professional fee and other costs incurred in respect of the internal audit function for the financial year ended 31 December 2025 were RM29,644.

During the financial year ended 31 December 2025, the Internal Auditors have carried out audits to assess the adequacy of the internal controls of the main operating subsidiaries, based on the audit plan approved by the AC. The Internal Auditors reported their findings and recommendations to the AC for deliberation together with the Management. Where areas of improvement were required, they were highlighted to the Management for implementation. The AC monitored the progress of the implementation.

The details of internal audit function during the financial year under review are stated in the Statement on Risk Management and Internal Control of this Annual Report.

During the financial year under review, the Internal Auditors carried out the following activities:

- (a) Presented and obtained approval from the AC the annual internal audit plan, its audit strategy, and scope of audit work;
- (b) Performed audits according to the annual internal audit plan, reviewed the adequacy and effectiveness of the internal control system, compliance with policies and procedures, and reported ineffective and inadequate controls and made recommendations to improve their effectiveness; and
- (c) Performed follow-up reviews to assess the progress of the agreed management's action plans and reported to the Management and AC.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("the Board") is pleased to present the Group's Statement on Risk Management and Internal Control ("the Statement") for the financial year ended 31 December 2025 ("FY2025") which is made in compliance with Paragraph 15.26(b) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and is guided by "Statement on Risk Management and Internal Control: Guidelines for Directors and Listed Issuers" endorsed by Bursa Malaysia.

Please note that this statement does not cover associate company where the risk management and internal control systems are managed by its respective management teams.

BOARD RESPONSIBILITY

The Board is responsible for the Group's system of internal control, which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. However, such a system is designed to manage the Group's risk within an acceptable risk profile, rather than to eliminate the risk of failure to achieve the policies and business objectives of the Group. Therefore, it should be noted that it can only provide reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The Board has undertaken the appropriate initiatives to strengthen the transparency, accountability and efficiency of the operations. The Board recognises the importance of ensuring that a sound system of internal control and effective risk management practices are in place in the organisation. It had therefore given due attention towards improving the effectiveness of internal control, risk management and governance process of the organisation.

The management assists the Board in the implementation of the Board's policies and procedures on risk and control, also in the design, operations and monitoring of suitable internal controls to mitigate and control these risks.

RISK MANAGEMENT FRAMEWORK

The Board recognises the importance of identifying and managing principal risks of the Group's daily operations and that the identification and the management of such risk will affect the achievement of the Group's corporate objectives. As part of the integral process of risk management, the Group's risk management framework shall be structured in which the existence of significant risk of the Group has been identified and quantified. Priority will be given for areas of high risks to assist the Board and Key Senior Management.

The functional management has been given a clear line of accountability and delegated authorities have been established as part of the internal control efforts through the standard operating practices. The Risk Management Committee consists of Key Senior Management responsible for identifying, managing and reporting on significant risks on an ongoing basis and any significant risk matters identified are brought to the attention of the Board at their scheduled meetings.

The Audit Committee ("AC") chaired by an Independent Non-Executive Director, meets periodically to discuss the risk faced by the Group and ensures that existing mitigation actions are adequate. The AC would ultimately report to the Board level on issues of concern, if any.

In addition, external and relevant professionals would be drawn on to assist and provide advices to the management team when necessary. In order to ensure the objectivity of the review of the risk management and system of internal control in the Group, the AC is instituted by the Board to undertake this role.

The AC assists the Board to review the adequacy and integrity of the internal control system and its compliance with the Group's policies and procedures.

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

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of internal audit function and has engaged a professional firm, Baker Tilly Monteiro Heng Governance Sdn. Bhd. ("BTMH" or "Internal Auditor") to provide internal audit services to assist the Board in providing the assurance it requires on the effectiveness as well as the adequacy and the integrity of the Group's system of internal control. The outsourced internal audit function is led by Mr. Kuan Yew Choong, the Partner of Internal Audit & Risk Advisory of the outsourced service provider whereby he is a professional member of the Institute of Internal Auditors Malaysia and possesses the professional qualification of FCCA. The internal audit function is supported by a team of three (3) other internal auditors who have the relevant work experiences to carry out the works during the financial year under review.

The internal audit reviews are carried out using risk-based approach and based on major operating cycles as recommended and agreed with Senior Management and approved by the AC.

In the financial year under review, the following reviews on the Group's operations were undertaken by the Internal Auditor, according to the risk-based Internal Audit Plan approved by the AC:

- Contract Execution, Operation and Maintenance Management for Pagoh Site
- SHC Group Insurance Coverage Management
- A follow up review on Human Resources and Payroll Management

The findings arising from the above reviews have been reported to the Management for their response and subsequently for the AC deliberation before they are reported to the Board. Where weaknesses were identified, recommended procedures have been or are being put in place to strengthen controls.

THE INTERNAL CONTROL PROCESS

The following are the key processes that have been established as part of the Group's internal control effort:

- (a) Internal control efforts were done through standard operating procedures and guidelines involving operational planning, capital expenditure, safeguarding of assets against unauthorised use or disposition, financial and accounting records, reporting system and monitoring of the Group's business and performances.
- (b) The Key Senior Management through their daily involvement in the business operations and attendance at operational and management level of meetings, monitor the Group's policies and procedures.
- (c) The AC reviews internal control issues identified by the Internal and External Auditors and evaluates the adequacy and the effectiveness of the risk management and internal control system. They also review the internal audit functions with particular emphasis on the scope of audits and quality of internal audits.
- (d) The Corporate office at the holding company coordinates and monitors the monthly performance results of the independent operational units, based on actual against budgeted financial performances, key business indicators and highlights of the related happenings. The liquidity position of the Group is monitored daily through the online banking system and also through the weekly reporting of bank transactions of the business units.

The internal control system will continue to be reviewed and enhanced in line with the changes in the operating environment.

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

CONCLUSION

For the financial year under review up to the date of approval of this Statement for inclusion in the annual report, based on inquiry, information and assurance provided by the Managing Director and Financial Controller, the Board is of the opinion that the internal control system was generally satisfactory and adequate for their purpose. There will be continual focus on measures to protect and enhance shareholders' value and business sustainability.

This Statement on Risk Management and Internal Control is made by the Board in accordance with its resolution dated 23 April 2026.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

As required by Paragraph 15.23 of Main Market Listing Requirements of Bursa Malaysia, the External Auditors have reviewed the Statement for inclusion in the annual report for the financial year ended 31 December 2025. Their review was performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3"): Guidance for Auditors on Engagements to Report on the Statement, issued by the Malaysian Institute of Accountants. Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the Group's internal control system. AAPG 3 does not require the External Auditors to, and they did not, consider whether this Statement covers all risk and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures.

SUSTAINABILITY STATEMENT

ABOUT THIS REPORT

Sin Heng Chan (Malaya) Berhad ("SHC") is pleased to publish its annual Sustainability Statement for SHC and its subsidiaries ("the Group"), reflecting our commitment to building long-term, sustainable value.

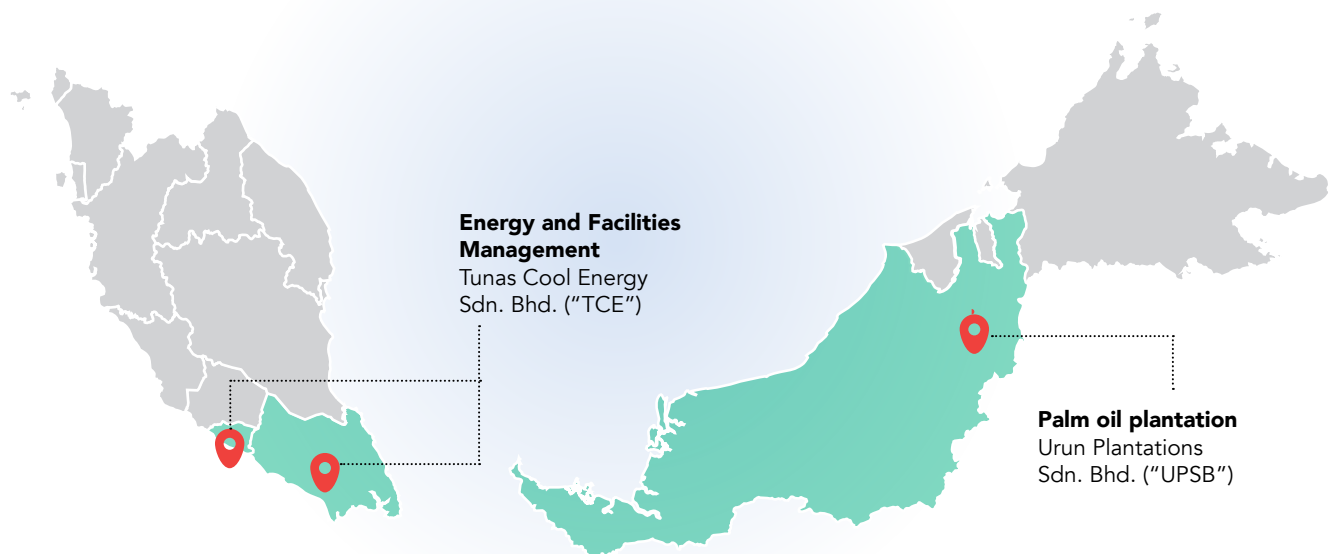
Guided by the Environmental, Social, and Governance ("ESG") framework, we embed sustainability into every aspect of our business, upholding responsible stewardship and advancing sustainable practices for the benefit of our stakeholders and the communities we serve.

SUSTAINABILITY STATEMENT

(CONT'D)

SCOPE AND BOUNDARIES

Our Sustainability Statement encompasses two core business units — palm oil plantation operations in Sarawak, and energy and facilities management operations in Melaka and Johor.



This scope reflects our assessment of the business units with the most significant sustainability impacts. Accordingly, the Sustainability Statement focuses on non-financial performance metrics, as well as the risks, opportunities, and outcomes associated with our core business segments and cash-generating unit, primarily our palm oil plantation operations, which play a critical role in value creation. This approach enables us to provide more meaningful, transparent, and relevant disclosures on our environmental, social, and governance practices.

This Sustainability Statement covers the reporting period from 1 January 2025 to 31 December 2025, unless otherwise stated. This Statement has been prepared in accordance with Practice Note 9A of Bursa Malaysia's Main Market Listing Requirements and is guided by Bursa Malaysia's Sustainability Reporting Guide.



SUSTAINABILITY STATEMENT

(CONT'D)

GOVERNANCE

INTERNAL GOVERNANCE REVIEW

The Board of Directors has reviewed and endorsed this Sustainability Statement as a fair and accurate account of the Group's performance during the reporting period. The Board further acknowledges its oversight role in the preparation of the Statement and in ensuring alignment with established governance principles and internal reporting procedures.

FEEDBACK

This Sustainability Statement complements the Group's Annual Report ("AR") and provides an overview of our sustainability approach and performance. Further information is available on the Group's corporate website. We value engagement with our stakeholders and welcome feedback to strengthen our sustainability practices and reporting. Please send your feedback to:

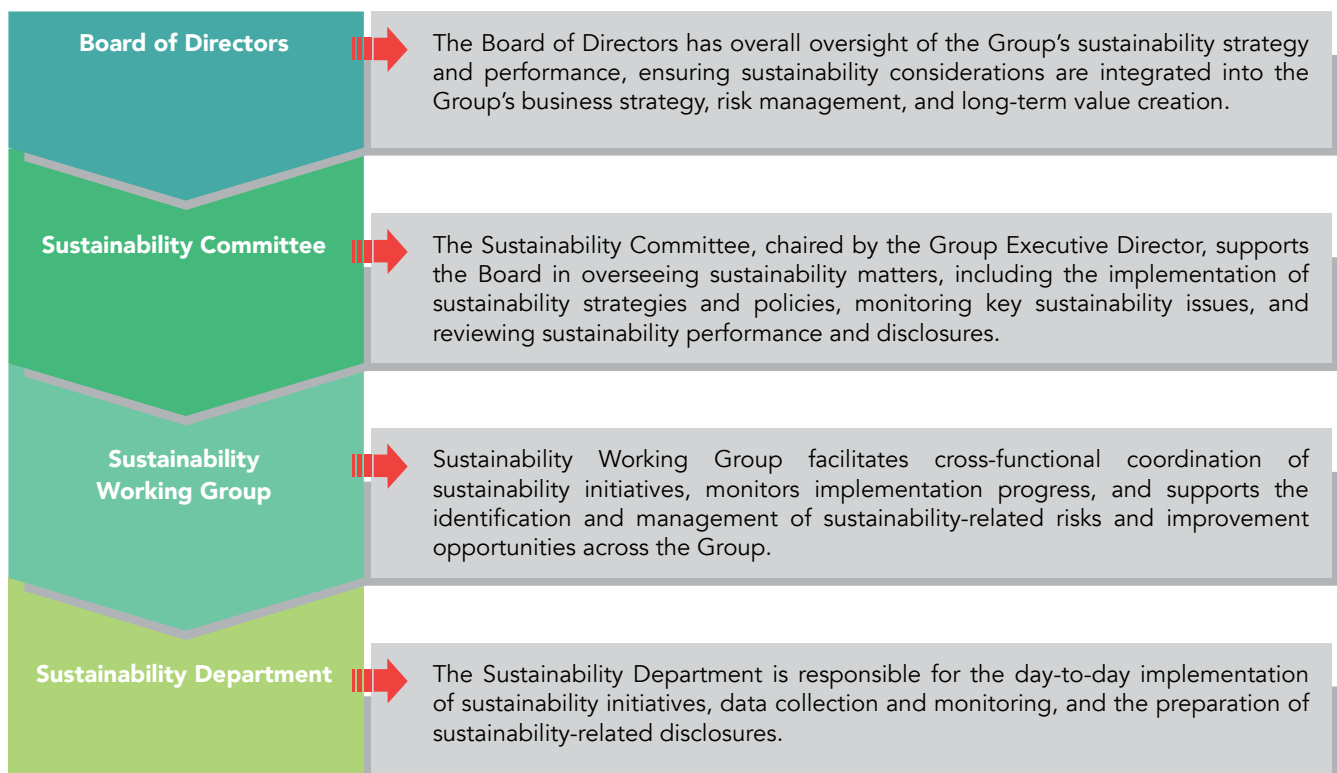
Sustainability Manager

Sin Heng Chan (Malaya) Berhad
Level 3, Wisma E&C,
No. 2, Lorong Dungun Kiri, Damansara Heights,
50490 Wilayah Persekutuan, Kuala Lumpur, Malaysia.
sr@shcm.com.my

SUSTAINABILITY GOVERNANCE

Strong governance underpins the Group's commitment to conducting its operations sustainably, in compliance with applicable laws and good governance principles, and with the highest standards of integrity. The Group's sustainability governance framework provides oversight and direction to ensure sustainability considerations are aligned with the Group's strategic objectives and business priorities, while supporting the management of sustainability risks and opportunities.

Accordingly, the Group has established a sustainability governance structure to support effective oversight and accountability, as outlined below:



SUSTAINABILITY STATEMENT

(CONT'D)

SUSTAINABILITY POLICY

The Group's sustainability policy outlines a strong commitment to responsible environmental, social, and governance practices, aligned with the Malaysian Sustainable Palm Oil (MSPO) standard. It emphasises reducing environmental impact through a No Deforestation, No Peat, No Exploitation (NDPE) approach, including protection of high conservation value (HCV) areas, avoidance of peatland development, reducing greenhouse gas emissions, and a strict no open burning policy. The policy also promotes ethical governance, employee well-being, and human rights by prohibiting discrimination and forced labour, while fostering respectful engagement with local communities through Free, Prior, and Informed Consent (FPIC). Together, these principles support long-term value creation, transparent stakeholder engagement, and sustainable development across operations and the supply chain.

Scan here for full
policy document



STAKEHOLDER ENGAGEMENT

We are committed to building long-term relationships with our stakeholders through open and transparent communication. By engaging employees, customers, shareholders, suppliers, regulators, industry partners, and the wider community through various channels, we gather valuable insights that inform our business strategy and sustainability initiatives. Stakeholders are provided with multiple avenues to share feedback and raise concerns, including a dedicated whistleblowing channel that reinforces transparency, integrity, and accountability.



EMPLOYEES

Engagement Channel	Frequency	Area of Interest
- Management meetings - Awareness training - Competency training - Stakeholder meetings - Performance evaluation	- Monthly - Quarterly - As needed	- Fair remuneration and benefits - Health and safety - Job security and career development - Work competency - Sustainability policy - MSPO certifications - ISO 9001:2015 certification - ISO 45001:2018 certification



COMMUNITIES

Engagement Channel	Frequency	Area of Interest
- Stakeholder meetings - Community engagements - Local hiring	- Monthly - Quarterly - Annually	- Job opportunities - Community development - Logistical and infrastructure - Preservation of cultural heritage - Environmental protection

SUSTAINABILITY STATEMENT

(CONT'D)



INVESTORS

Engagement Channel	Frequency	Area of Interest
- Annual general meetings - Annual reports - Interim financial reports - Circular/Notices	- Quarterly - Annually	- Dissemination of information - Transparency of information and fiduciary duties



CUSTOMERS

Engagement Channel	Frequency	Area of Interest
- Periodical meetings - Email inquiries - Stakeholder meetings - Customer surveys	- Monthly - Quarterly	- Grievance mechanism - Sustainable crop production - FFB quality - MSPO certifications - ISO 9001:2015 certification - ISO 45001:2018 certification



GOVERNMENT & REGULATORY BODIES

Engagement Channel	Frequency	Area of Interest
- Periodical inspections - Stakeholder meetings	Annually	- Adhere to relevant laws and regulations - Corporate governance and compliances



SUPPLIERS

Engagement Channel	Frequency	Area of Interest
- Contract briefing - Contract negotiations - Site visits - Annual procurements - Awareness and compliance training	Quarterly	- Pricing of services - Project scope and payment schedule - Relevant policies; ensuring good supply chain management - Awareness of the following documents: Employment contracts, Salary slips, Minimum wage, Personal Protection Equipment (PPE)

SUSTAINABILITY STATEMENT

(CONT'D)

MATERIALITY MATTERS

Our materiality assessment process identifies and prioritises environmental, social, and governance (ESG) matters that are relevant and material to the Group and its stakeholders. The process incorporates stakeholder engagement and internal assessments to evaluate the significance and potential impact of these matters on the Group's operations, strategy, and long-term value creation. The outcomes guide the Group's strategic direction, risk management, and sustainability initiatives, in line with stakeholder expectations and business objectives.

The Group's materiality topics are as follows:

- | | |
|----------------------------------|---------------------------|
| 1 Anti-Bribery & Anti-Corruption | 7 Diversity |
| 2 Labour Practices & Standard | 8 Water Management |
| 3 Health & Safety | 9 Data Privacy & Security |
| 4 Community | 10 Waste Management |
| 5 Energy Management | 11 Emissions Management |
| 6 Supply Chain Management | |

UN SDGS ALIGNMENT

The Group recognises the United Nations Sustainable Development Goals (UN SDGs) as a global framework for advancing sustainable development and has identified the relevant SDGs applicable to its business activities and material sustainability matters. These SDGs guide the Group's sustainability strategy, initiatives, and performance monitoring, ensuring that its efforts contribute meaningfully to long-term economic, environmental, and social value creation. They are:



SUSTAINABILITY STATEMENT (CONT'D)

INTEGRITY AND ACCOUNTABILITY

The Group is committed to upholding integrity and accountability in all aspects of its operations. Ethical conduct, transparency, and compliance with applicable laws guide decision-making, supported by clear policies and reporting mechanisms that promote responsible behaviour and stakeholder trust.

A full list of the Group's policies are available on our website here:

<https://shcm.com.my/corporate-policies/>



CODE OF BUSINESS CONDUCT AND ETHICS

In line with the Malaysian Anti-Corruption Commission Act 2009, which came into effect on 1 June 2020, the Group has reviewed and updated its Code of Business Conduct and Ethics, implemented across the Group in 2022. The Code addresses various forms of corruption and reinforces a culture of integrity, transparency, and accountability.

Established by the Board, the Code of Business Conduct and Ethics serves as a guiding framework for directors, employees, subsidiaries, and associate companies. It is supported by key policies, including the Anti-Bribery and Corruption Policy and the Whistleblowing Policy, to promote ethical decision-making and regulatory compliance. The Code emphasises core values such as integrity, objectivity, accountability, and corporate social responsibility, and sets out clear guidelines on conflicts of interest, confidentiality, and responsible communication.

The Board remains committed to upholding and periodically reviewing these policies to ensure their continued relevance and effectiveness. This commitment reflects the Group's dedication to maintaining public trust and fostering a responsible corporate culture. Further information is available on the Group's website at www.shcm.com.my.

ANTI-BRIBERY AND CORRUPTION POLICY

We are committed to conducting our business ethically and upholding high standards of corporate governance. In support of this commitment, the Group has implemented a comprehensive Anti-Bribery Management System (ABMS) in compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

Central to the ABMS is the Anti-Bribery and Corruption (ABC) Policy, which adopts a zero-tolerance approach towards bribery and corruption across all operations, regardless of jurisdiction. The policy provides clear guidance on gifts, entertainment, hospitality, facilitation payments, political contributions, and dealings with business associates, ensuring compliance with applicable legal and ethical requirements. All employees, directors, our supply chain and relevant stakeholders are required to adhere to the policy, supported by proper record-keeping controls and established whistleblowing channels for reporting suspected breaches.

To manage bribery and corruption risks, the Group conducts periodic risk assessments to identify potential vulnerabilities and implement appropriate mitigation measures. An ABC Compliance Unit, overseen by senior management, is responsible for monitoring compliance, delivering awareness and training programmes, and enforcing disciplinary actions where necessary. These measures reflect the Group's ongoing commitment to integrity, transparency, and responsible business conduct.

To reinforce ethical conduct, anti-corruption training is provided to all headquarters employees and incorporated into the onboarding programme for new hires.

SUSTAINABILITY STATEMENT

(CONT'D)

Percentage of employees who have received training on anti-corruption by employee category			
	2025	2024	2023
Senior Management	0%	100%	0%
Middle Management	100%	50%	100%
Executives	100%	16%	25%
Non-executives	100%	0%	0%

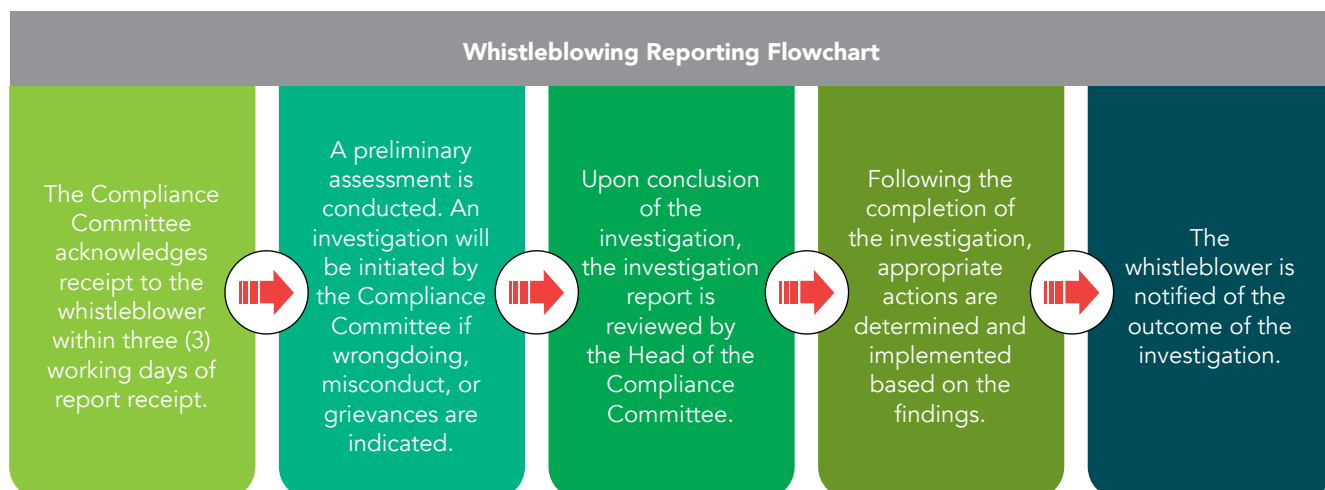
Percentage of operations assessed for corruption-related risks		Confirmed incidents of corruption and action taken	
	%		No
2025	0	2025	0

WHISTLEBLOWING POLICY

The Group has implemented a Whistleblowing Policy that enables employees, stakeholders, and the public to report suspected breaches of the Code of Business Conduct and Ethics, the Anti-Bribery and Corruption Policy, or other misconduct. All reports are treated confidentially, with safeguards in place to protect whistleblowers from retaliation and to ensure fair and transparent investigations.

Secure reporting channels allow concerns to be raised to the Group through designated whistleblowing forms, email, letter or phone call.

More details are publicly available here:



SUSTAINABILITY STATEMENT (CONT'D)

CERTIFICATION AND ACCREDITATION



MALAYSIAN SUSTAINABLE PALM OIL STANDARD (MSPO)

Urun Plantations Sdn. Bhd. ("UPSB"), a wholly-owned subsidiary of Sin Heng Chan (Malaya) Berhad, is certified under the Malaysian Sustainable Palm Oil (MSPO) Standard. UPSB operates in accordance with Malaysia's national certification framework governing palm oil plantations, independent smallholders, and the wider palm oil supply chain. As an MSPO-certified plantation, we are committed to responsible agricultural practices and to embedding sustainability across all aspects of our operations.

Our commitment to sustainable business practices is demonstrated through our role as a certified producer of sustainable palm oil. We have established and maintained comprehensive documentation to comply with MSPO's rigorous requirements, ensuring ongoing adherence and continuous improvement. Through the integration of sustainability-focused initiatives, we contribute to the advancement of Malaysia's commodity sector and support responsible palm oil production within the global supply chain.



QMS ISO 9001:2015 & OSHA ISO 45001:2018

Tunas Cool Energy Sdn. Bhd. ("TCE"), a subsidiary of the Group, holds QMS ISO 9001:2015 certification, reflecting our commitment to structured quality management systems and consistent service delivery. The certification establishes clear processes, controls, and performance monitoring mechanisms that support reliable and efficient operations, providing assurance to clients and allowing them to focus on their core business activities.

These quality management practices directly support the operational requirements of projects such as the Dataran Pahlawan Melaka Megamall ("DPMM") and the Pagoh Educational Hub District Cooling System Project, where system reliability, service continuity, and operational consistency are critical to maintaining optimal comfort and a seamless end-user experience.

In addition, TCE has also achieved ISO 45001:2018 certification, the internationally recognised standard for occupational health and safety management systems. Adoption of this framework provides a structured and systematic approach to identifying, assessing, and controlling workplace hazards, while strengthening risk management and promoting a safe and healthy working environment. This ongoing commitment to occupational health and safety safeguards our workforce and reinforces client confidence in the reliability and security of our products and services.

SUSTAINABILITY STATEMENT (CONT'D)



SUSTAINABLE ENERGY DEVELOPMENT AUTHORITY (SEDA) LICENSE

Our operations in TCE are aligned with Malaysia's national sustainable energy objectives, as demonstrated by our registration as a licensed solar photovoltaic investor under the Net Energy Metering ("NEM") programme. This certification reflects our compliance with renewable energy and energy efficiency standards in our district cooling systems. Through adherence to the requirements set by SEDA, we actively support the country's transition toward a greener and more sustainable energy ecosystem.



CONSTRUCTION INDUSTRY DEVELOPMENT BOARD (CIDB) G7 LICENSE

TCE is accredited with a Construction Industry Development Board (CIDB) G7 license, the highest contractor registration classification in Malaysia. This certification attests to our capacity to execute large-scale district cooling system construction projects with a high level of technical competence and professionalism. The G7 accreditation reflects our commitment to delivering infrastructure projects that comply with rigorous industry standards, thereby ensuring the reliability, efficiency, and safety of our district cooling solutions for our clients.



SUSTAINABILITY STATEMENT

(CONT'D)

TRACEABILITY, RESPONSIBLE SOURCING AND SUSTAINABLE SUPPLY CHAIN

The Group is committed to responsible sourcing in line with its Environmental, Social, and Governance (ESG) principles. Suppliers are assessed beyond price and workmanship, incorporating legal compliance, ethical conduct, environmental practices, and operational reliability. The selection process includes background checks and proposal evaluations based on quality, cost, reliability, and sustainability, followed by structured negotiations and clearly defined contractual terms.

To strengthen governance and social responsibility, TCE conducts on-site verification visits to ensure suppliers meet ethical, technical, and safety standards, including assessments of external facility management service providers at the Pagoh and DPMM Plants. Through strong supplier partnerships and robust oversight, we promote transparency, accountability, and sustainability across our supply chain.

Proportion of Spending on Local Suppliers

2025	2024	2023
100%	100%	100%

DATA PRIVACY AND SECURITY

The Group is committed to safeguarding customer information through robust cybersecurity and data privacy measures. Recognising the importance of trust, we proactively protect our information systems and those of our stakeholders to ensure the security of sensitive data.

All customer documents, communications, and confidential information are securely maintained within internal systems, with access strictly limited to authorised personnel based on operational requirements and established protocols. To further reinforce data protection, confidentiality agreements are implemented with both suppliers and customers to prevent unauthorised disclosure.

Number of Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data

2025	2024	2023
0	0	0

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL



At SHC, we understand that our long-term success is closely tied to the well-being of our people and the strength of the communities in which we operate. We are committed to building meaningful relationships through active and inclusive engagement at all levels, going beyond regulatory requirements to cultivate a safe, supportive, and high-performing workplace. Our approach also reflects a strong sense of social responsibility, as we aim to contribute positively to community development. By fostering relationships based on respect, fairness, and shared value, we seek to make a lasting social impact and play our part in supporting a more inclusive and sustainable society.

DIVERSITY, EQUITY, AND INCLUSION

We are committed to building a workplace where diversity, equity, and inclusion are core to our culture and operations. We believe that a diverse and respectful workforce is essential to driving innovation and achieving meaningful outcomes, and we strive to provide equitable opportunities for all employees to grow and succeed.

This commitment is reflected in our fair and transparent employment practices, from recruitment to skill development and compensation, designed to prevent discrimination and support individual potential. By valuing differences and encouraging open collaboration, we foster an inclusive environment where diverse perspectives are embraced and every employee can contribute their unique strengths.

SUSTAINABILITY STATEMENT

(CONT'D)

WORKFORCE PROFILE

Number of Employees



2025

94

2024

85

2023

76

Employment Type



Permanent

90



Contract

4

Gender



Male

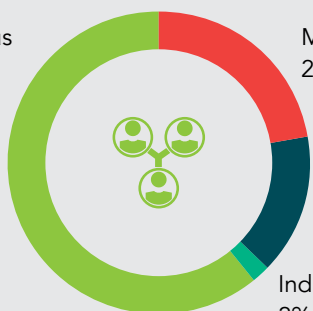
69



Female

25

Employee Diversity (%)

Indigenous
57%Malay
21%Chinese
14%Indian
2%

Employees Who Took Parental Leave



Maternity

0

Paternity

2

Return After Parental Leave



Maternity

0

Paternity

2

Return Rate

Maternity

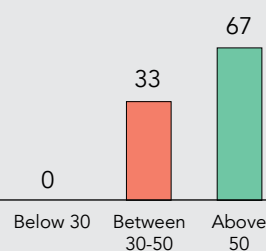
NA

Paternity

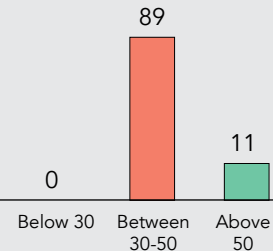
100%

Percentage of Age group by Employee Category (%)

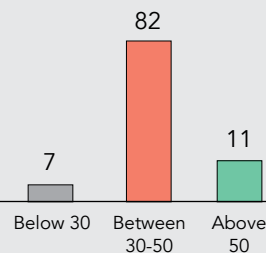
Senior Management



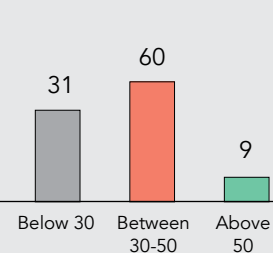
Middle Management



Executives

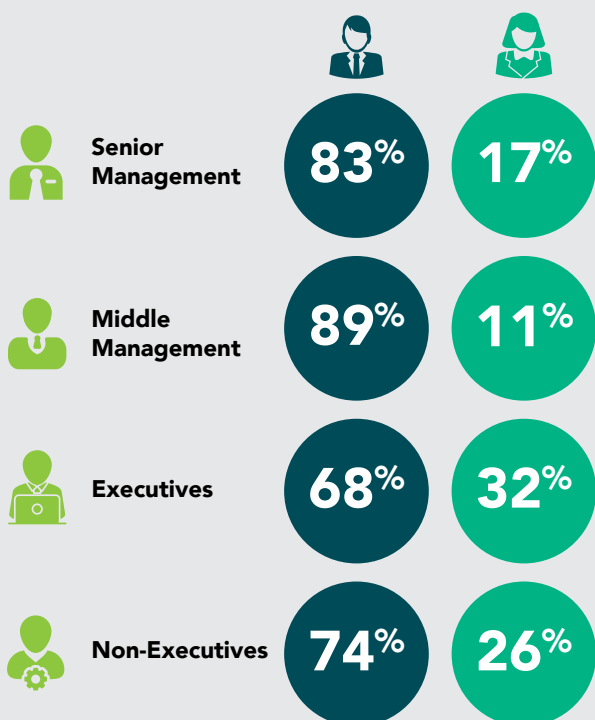


Non-Executives

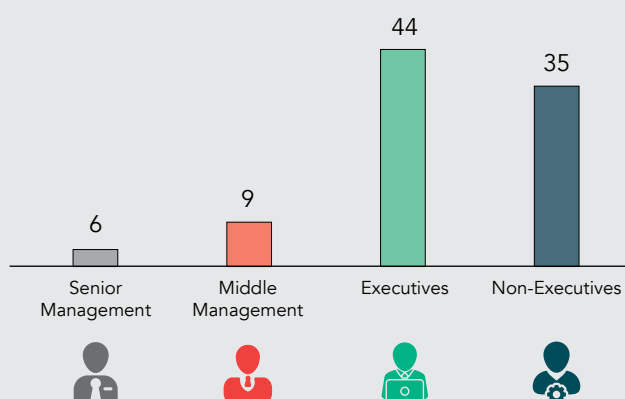


SUSTAINABILITY STATEMENT (CONT'D)

Percentage of Gender by Employee Category (%)



Employee Diversity by Employee Category



Number of Employee Turnover by Employee Category

Middle Management	Executives	Non-Executives
2	8	7

Number of Employee Hiring by Employee Category

Middle Management	Executives	Non-Executives
2	8	7

Number of Employee Turnover by Gender

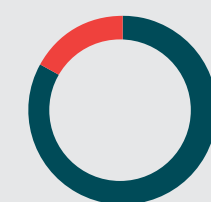


Number of Employee Hiring by Gender



BOD Gender Composition (%)

Female 17%



Male 83%

BOD Age Composition (%)

Between 30-50 – 33%



Above 50 – 67%

SUSTAINABILITY STATEMENT (CONT'D)

UPHOLDING HUMAN RIGHTS AND LABOUR STANDARDS

At SHC, we believe that our employees are our greatest asset. We are committed to upholding high standards of human rights and fair labour practices across our organisation. We recognise the importance of fostering a respectful, equitable, and safe working environment, and these principles guide our policies, practices, and daily interactions. We strive to ensure that every individual feels valued, heard, and protected, with their rights respected and contributions recognised.

SOCIAL AND HUMAN RIGHTS POLICY

The Group is committed to upholding internationally recognised social and human rights standards. This commitment is guided by our Social and Human Rights Policy, which aligns with the UN Declaration on Human Rights and the ILO Decent Work Agenda, reflecting our dedication to ethical, responsible, and sustainable labour practices. The policy is anchored in the following key principles:



Collectively, these principles reflect our strong commitment to ethical labour practices and the well-being of our workforce.

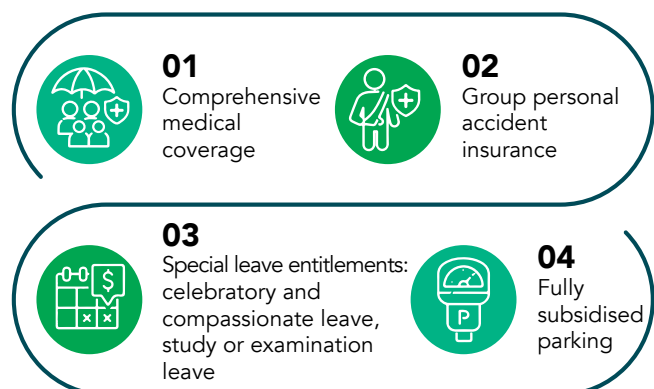
SAFEGUARDING MIGRANT WORKERS RIGHTS

Our plantation operations employ a significant number of foreign workers who play an essential role in supporting our core activities, particularly in the early stages of our value chain such as harvesting operations. Recognising the potential vulnerabilities faced by migrant workers during the recruitment process, we have implemented measures to safeguard their rights and well-being. We place strong emphasis on the responsible and effective management of our foreign workforce, with our commitment extending across all stages of employment, including:



EMPLOYEE WELFARE AND BENEFIT

In recognition of the dedication and valuable contributions of our employees, we provide a holistic benefits package aimed at supporting their well-being, financial security, and quality of life.



To further support our employees at the plantation estate, we provide dedicated amenities that address their daily needs as well as the educational needs of their families. These include an on-site estate mini market that offers convenient access to essential goods, and a Community Learning Centre (CLC) that provides educational resources and learning support for employees' children.

SUSTAINABILITY STATEMENT (CONT'D)

The following initiatives are in place at the CLC to support students:



Transportation

Arranging reliable transport services to and from the CLC.



School and Classroom Upkeep

Improving the quality of the learning environment through regular school and classroom maintenance.



Meal Provision

Providing nutritious meals during recess to support students' well-being and readiness to learn.

Student enrolment at the CLC has shown an increase. In addition, the teaching capacity has been strengthened through the addition of more educators, reflecting our ongoing commitment to providing quality education for our employees' children.



Training and Development

We recognise the importance of both personal and professional development and firmly believe that continuous learning is fundamental to enabling individuals to realise their full potential.

Our Group delivers structured training programmes aimed at strengthening the competencies and expertise of both management and employees. These programmes span a broad range of areas, including technical skills, professional certifications, soft-skills enhancement, and leadership development. In parallel, we actively promote a learning culture that encourages employees to identify their development needs and proactively request relevant training opportunities.

During FY2025, we implemented a diverse range of training initiatives across multiple disciplines, underscoring our commitment to holistic and continuous skills development. These initiatives are categorised into the following key areas:



01

Technical and Professional Skills Enhancement



02

Safety and Compliance Training



03

Leadership and Management Development



04

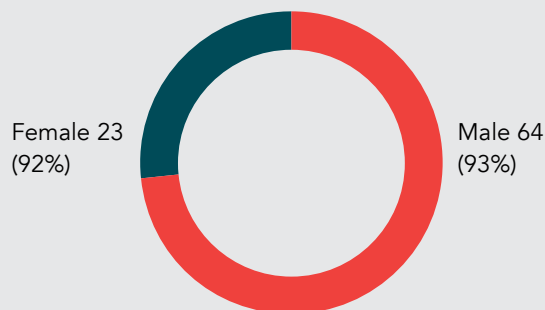
Regulatory and Legal Framework Updates



05

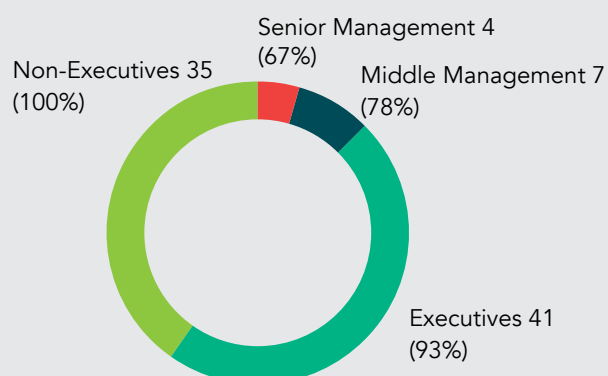
Technology and Systems Training

Performance and Career Development Review Recipients by Gender



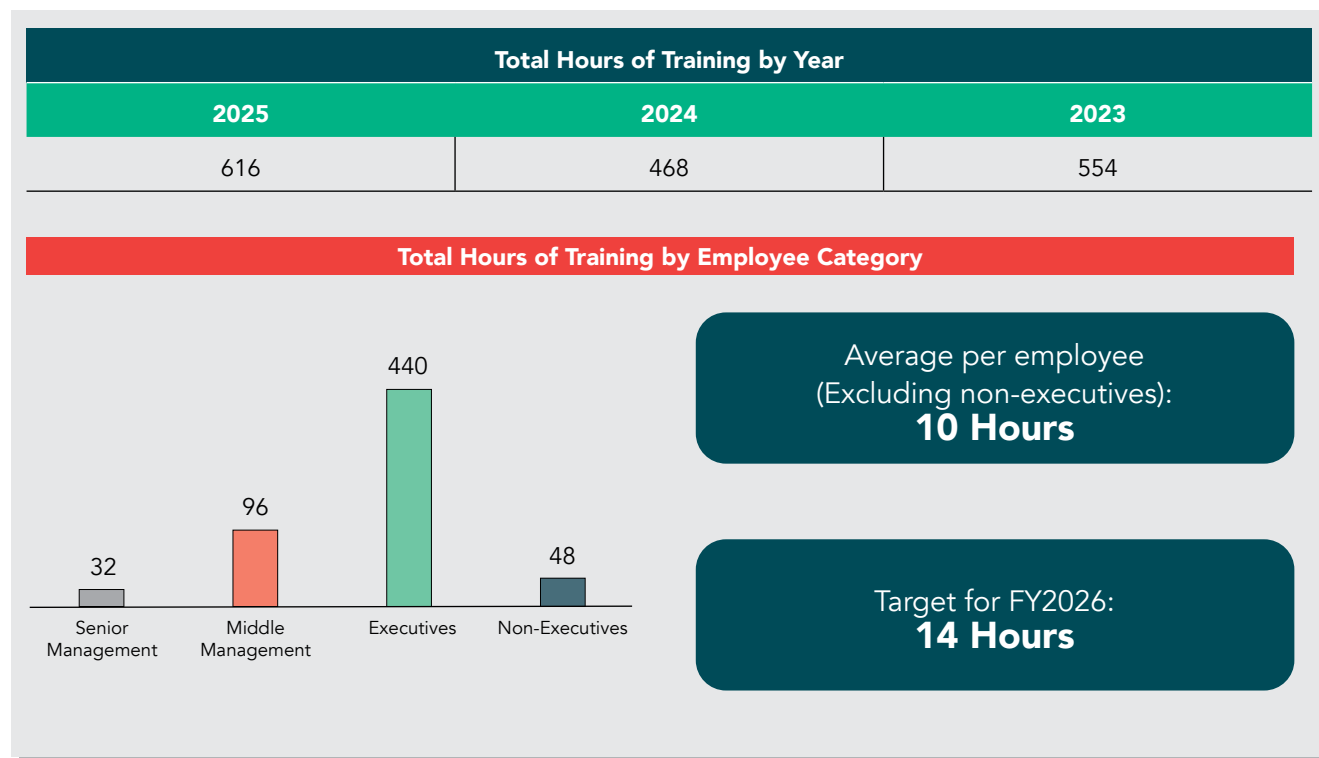
Overall Recipients: 87 (93%)

Performance and Career Development Review Recipients by Employee Category



SUSTAINABILITY STATEMENT

(CONT'D)



OCCUPATIONAL HEALTH AND SAFETY

We are committed to safeguarding the health, safety, and welfare of our employees and contractors across all operations and workplaces. The Group's focus is on providing a safe, healthy, and conducive working environment through the prevention of work-related injuries and occupational illnesses. This commitment reflects our responsibility to our people and supports operational excellence by enhancing efficiency, productivity, and continuous improvement.

SAFETY POLICY AND MANAGEMENT SYSTEM

The Group has established Occupational Safety and Health (OSH) Policy and management framework to govern all business operations and workplaces. This framework reflects the Group's commitment to providing a safe, healthy, and secure environment for all stakeholders, including employees, contractors, vendors, customers, and visitors.

The policy outlines clear roles and responsibilities, emphasises the prevention of workplace accidents and occupational illnesses, and ensures compliance with applicable laws, regulations, and standards. Safety and health considerations are embedded into operational excellence, recognising their integral role in delivering high-quality products and services.

To support effective implementation, the Group adopts a structured Integrated Management System with a dedicated Quality, Health and Safety Management System (QHSMS). This system is supported by clearly defined manuals, procedures, and work instructions, enabling systematic risk management, consistent application of OSH practices, and continuous improvement in safety performance across the Group.

SUSTAINABILITY STATEMENT

(CONT'D)

Safety Governance & Implementation



01

Health and Safety Committee

- Established with representation from both management and workers
- Serve as the primary platform for consultation on OSH policies, rules, and procedures
- Meet at least quarterly or convene as required to address safety matters



02

Risk Management Oversight

- Active involvement in hazard identification, risk assessment, and risk control (HIRARC)
- Development and monitoring of strategies to eliminate or mitigate workplace risks
- Regular reviews to ensure continued relevance to operational hazards



03

Incident Investigation & Reporting

- Committees are responsible for investigating workplace accidents and incidents
- Clear accident and incident reporting protocols communicated to all personnel
- Dedicated reporting channels established to ensure timely escalation to management



04

Emergency Preparedness & Response

- Dedicated Emergency Response Teams (ERTs) and trained first-aid personnel in place
- Emergency procedures and evacuation plans supported by regular training
- On-site capability to respond effectively to emergencies and minimise harm



05

Safety Training & Awareness

- Promote a strong safety culture through regular training, briefings, inspections, audits, and clear safety communication
- Strengthen employee capabilities with role-specific safety and health training to support safe work practices and informed decision-making
- Reinforce continuous improvement through safety drills, specialised training programmes, and increasing workforce participation

Our Health and Safety Performance

	HQ	Plantation	DPMM	Pagoh
Total hours worked	41,769	1,808,640	6,873	27,934
Number of work-related fatalities	0	0	0	0
Number of Lost Time Injury (LTI)	0	0	0	0
LTI rate	0	0	0	0



Number of Employees/Workers Trained on Health and Safety Standards

HQ	Plantation	DPMM	Pagoh
12	552	2	12

SUSTAINABILITY STATEMENT

(CONT'D)

CONTRIBUTING TO COMMUNITY

We are committed to fostering strong partnerships between businesses and communities, recognising their role in promoting social inclusion and sustainable, positive impact. At SHC, we uphold corporate responsibility through active engagement in initiatives that enhance the well-being of the communities in which we operate. Our community efforts encompass a wide range of initiatives, addressing diverse social priorities.

ENHANCING COMMUNITY WELL-BEING

A substantial share of our contributions focused on improving the well-being of surrounding villagers at our estates in Long Urun, Belaga, Sarawak. Our support comprised funeral donations, food assistance, and monthly social contributions to the Jawatankuasa Kawasan Kampung Long Urun, Belaga. In addition, we contributed to the development of local infrastructure to enhance community connectivity.

Community Investment and Impact

Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM515,488
Total number of beneficiaries of the investment in communities	39

ENVIRONMENT



SHC recognises that environmental responsibility is fundamental to our long-term performance and sustainable growth. We are committed to reducing our environmental footprint and strengthening sustainable practices across our operations. By integrating environmental considerations into our strategy and decision-making, we aim to create lasting value for our stakeholders while supporting a more resilient and sustainable operating environment.

OUR GHG EMISSION

2025	tCO ₂ e
Scope 1	2,777.24
Scope 2	8,879.02
Scope 3	23.73

SUSTAINABILITY STATEMENT

(CONT'D)

ENERGY MANAGEMENT

Energy management is a fundamental component of the Group's commitment to operational excellence and environmental responsibility. We recognise that efficient energy use is critical to reducing greenhouse gas emissions, mitigating climate-related risks, and supporting long-term business resilience. Accordingly, we prioritise the optimisation of energy performance across our operations through structured policies, technological innovation, and continuous monitoring.

OUR ENERGY CONSUMPTION

Year	Total Consumption (MWh)
2025	12,002
2024	12,860
2023	11,833

TCE DISTRICT COOLING SYSTEMS (DCS)

Our TCE operations provide efficient and sustainable cooling solutions through the operation of District Cooling Systems (DCS). Reducing reliance on fossil fuels remains a critical priority in addressing climate-related risks, and DCS forms a central pillar of our strategy. Our facilities in Pagoh and Melaka (DPMM) are designed to enhance energy efficiency while supporting national sustainability objectives.

As the primary operator of our DCS, TCE accounts for most of the Group's electricity consumption. We continue to enhance system optimisation and implement energy efficiency measures to manage consumption and improve overall performance.

To manage peak demand, particularly during high cooling periods, we utilise a chilled water storage system that produces and stores chilled water during off-peak nighttime hours for daytime distribution. This load-shifting approach reduces reliance on individual building chillers, lowering overall energy use and associated carbon emissions.

TCE is committed to continuously optimising energy performance and reducing dependence on non-renewable energy sources. Through close monitoring of operational energy consumption and data-driven analysis, we improve efficiency while delivering cost-effective, sustainable cooling solutions that support environmental responsibility, community well-being, and long-term operational resilience for our clients.

TCE remains at the forefront of energy-efficient cooling technology, delivering the full benefits of DCS to our clients. This technology offers:

Optimised Space Utilisation

By centralising cooling infrastructure, we free up valuable building space, enabling clients to maximise usable areas and unlock additional development potential, including rooftop green spaces.

Reduced Refrigerant Usage

Our DCS model requires significantly less refrigerant than conventional standalone systems, reducing environmental impact while improving system efficiency.

Enhanced Energy Efficiency

Our solutions deliver approximately 20% to 40% energy savings compared to traditional cooling systems, lowering operating costs and reducing carbon emissions.

Reliable Cooling Services

Designed with built-in redundancies and backup chillers, our systems ensure continuous and uninterrupted cooling, strengthening operational reliability and providing clients with confidence and assurance.



SUSTAINABILITY STATEMENT

(CONT'D)

WATER MANAGEMENT

SHC recognises the importance of responsible water stewardship across all our operations. We are committed to minimising our water footprint through efficient water use, continuous monitoring, and sustainable management practices. By prioritising conservation and responsible resource management, we aim to protect this vital resource for current and future generations.

TCE DISTRICT COOLING SYSTEMS (DCS)

At TCE, we have implemented a closed-loop system within our District Cooling Systems (DCS), reducing water consumption by approximately 5% to 15%. The system utilises closed-loop chiller units that employ a coolant fluid to extract heat from industrial and commercial processes. By eliminating single-pass cooling systems that use and discharge water, and instead continuously recycling and reusing water, we significantly reduce overall water consumption in a cost-effective and environmentally responsible manner.

The closed-loop system continues to mitigate the potential water usage that would otherwise arise from expanded operations. We remain committed to continuously evaluating and enhancing our systems to further optimise water efficiency.

Beyond water conservation, the closed-loop system delivers additional benefits, including lower wastewater treatment and disposal costs, reduced environmental pollution, and long-term returns through space and operational energy savings. To maintain optimal performance, we conduct regular monitoring to detect leaks and corrosion that may affect system efficiency.

OUR WATER CONSUMPTION

Year	Total Consumption in Megalitres (ML)
2025	81
2024	88
2023	84

URUN PLANTATIONS

At UPSB, our water management strategy prioritises the protection of local waterways and the sustainable use of water for domestic purposes, particularly given our remote operating environment. The abundant rainfall in our plantation area enables the development of natural reservoirs and effective water catchment systems to support our operational needs.

Data tracking in the estates has yet to be established, we have implemented a comprehensive water management plan that outlines measures to optimise water usage, safeguard water quality, and mitigate risks associated with water scarcity, pollution, and flooding. We are committed to strengthening our data collection and monitoring processes to enhance transparency and improve performance reporting in the future.

We remain dedicated to continuously advancing our water stewardship practices across all divisions, ensuring the responsible and sustainable management of this vital resource.



SUSTAINABILITY STATEMENT

(CONT'D)

WASTE MANAGEMENT

Waste management is a key component of the Group's environmental governance framework and our broader commitment to sustainable operations. We are committed to minimising waste generation, promoting responsible consumption of resources, and ensuring the safe handling, treatment, and disposal of all waste streams in compliance with applicable regulations and industry standards. Through structured policies, continuous monitoring, and the adoption of circular practices where feasible, we aim to reduce environmental impact while enhancing operational efficiency and long-term sustainability.

OUR WASTE MANAGEMENT PERFORMANCE

To prevent environmental contamination, our plantation operation at UPSB enforces waste management policies in compliance with MSPO Standards and applicable local regulations. We have initiated the implementation of structured waste management and segregation procedures, alongside establishing standard operating procedures (SOPs) for the handling and disposal of used chemicals and tyres classified as scheduled waste. Comprehensive data on these initiatives is currently being consolidated.

Within the plantation, various waste streams – including general, household, and scheduled waste – are managed in accordance with established procedures. Recyclable materials such as plastic and aluminium cans are collected and stored in designated areas prior to transportation to licensed recycling centres.

Although UPSB does not conduct milling activities, organic waste in the form of Empty Fruit Bunches (EFB), sourced from buyers of our Fresh Fruit Bunches (FFB), is occasionally reused as supplementary fertiliser in plantation operations. This supports our commitment to adopting circular practices wherever feasible.

Total Waste Diverted from Disposal (kg)		6,736
Plastic		1,186
Paper		540
Scrap iron		5,010

Total Waste Directed to Disposal (kg)		15,763
Waste from HQ		168
Scheduled Waste from Estate		15,595

SUSTAINABILITY STATEMENT

(CONT'D)

Date & Time: 2026-04-30 19:46:26

FYE 31/12/2025

Sin Heng Chan (Malaya) Berhad

BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category	%	Senior Management: 0% Middle Management: 100% Executives: 100% Non-executives: 100%	—	Internal
Anti-corruption	Percentage of operations assessed for corruption-related risks	%	0	—	Internal
Anti-corruption	Confirmed incidents of corruption and action taken	Number	0	0	Internal
Community and Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	515,488	—	Internal
Community and Society	Total number of beneficiaries of the investment in communities	Number	39	—	Internal
Diversity	Percentage of employees by gender, for each employee category	%	Senior Management (Male): 83% Senior Management (Female): 17% Middle Management (Male): 89% Middle Management (Female): 11% Executives (Male): 68% Executives (Female): 32% Non-executives (Male): 74% Non-executives (Female): 26%	—	Internal

SUSTAINABILITY STATEMENT
(CONT'D)

Sin Heng Chan (Malaya) Berhad
BMLR Transition Period

Date & Time: 2026-04-30_19:46:26
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Percentage of employees by age group, for each employee category	%	Senior Management Below 30: 0% Between 30 - 50: 33% Above 50: 67%	—	Internal
			Middle Management Below 30: 0% Between 30 - 50: 89% Above 50: 11%		
			Executives Below 30: 7% Between 30 - 50: 82% Above 50: 11%		
			Non-executives Below 30: 31% Between 30 - 50: 60% Above 50: 9%		
			Male: 85% Female: 15%		
			Below 30: 0% Between 30 - 50: 15% Above 50: 85%		
Energy Management	Total energy consumption	MWh	12,002	—	Internal
Water Management	Total volume of water used	Megalitre (ML)	81	—	Internal
Health and Safety	Number of work-related fatalities	Number	0	0	Internal
Health and Safety	Lost time incident rate	Rate	0	0	Internal
Health and Safety	Number of employees trained on health and safety standards	Number	HQ: 12 Plantation: 552 DPM: 2 Pagoh: 12	—	Internal
Labour Practices and Standards	Total hours of training by employee category	Hour	616	—	Internal

SUSTAINABILITY STATEMENT

(CONT'D)

Sin Heng Chan (Malaya) Berhad					Date & Time: 2026-04-30_19:46:26				
BMLR Transition Period					FYE 31/12/2025				
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance				
Labour Practices and Standards	Percentage of employees that are contractors or temporary staff	%	4.3	—	Internal				
Labour Practices and Standards	Total number of employee turnover by employee category	Number	Senior Management: 0 Middle Management: 2 Executives: 8 Non-executives: 7	—	Internal				
Labour Practices and Standards	Number of substantiated complaints concerning human rights violations	Number	0	0	Internal				
Supply Chain Management	Proportion of spending on local suppliers	%	100	100	Internal				
Data Privacy and Security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	Internal				

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Page 3 of 3

SUSTAINABILITY STATEMENT

(CONT'D)

APPENDIX: SUSTAINABILITY PERFORMANCE (3-YEAR OVERVIEW)

Indicators that already include a three-year trend in the main Sustainability Statement are excluded from this appendix.

Governance

Metric	Unit	2025	2024	2023
Percentage of operations assessed for corruption-related risks	%	0	0	0
Confirmed incidents of corruption and action taken	Number	0	0	0

Employment Data

Metric	Unit	2025	2024	2023
Employment type:				
Permanent	Number	90	NA	NA
Contract		4		
Gender:				
Male	Number	69	60	53
Female		25	25	23
Employee diversity:				
Malay	Number	21	NA	NA
Chinese		14		
Indian		2		
Indigenous		57		
Employees who took parental leave:				
Maternity	Number	0	NA	NA
Paternity		2		
Employees who returned to work after parental leave:				
Maternity	Number	0	NA	NA
Return rate	%	NA		
Paternity	Number	2	NA	NA
Return rate	%	100		

SUSTAINABILITY STATEMENT

(CONT'D)

Metric	Unit	2025	2024	2023
Percentage of age group by employee category:				
Senior Management				
Below 30	%	0	0	0
Between 30 – 50		33	43	29
Above 50		67	57	71
Middle Management				
Below 30	%	0	0	0
Between 30 – 50		89	83	100
Above 50		11	17	0
Executives				
Below 30	%	7	21	21
Between 30 – 50		82	75	76
Above 50		11	4	3
Non-Executives				
Below 30	%	31	25	14
Between 30 – 50		60	61	74
Above 50		9	14	12
Percentage of gender by employee category:				
Senior Management				
Male	%	83	71	57
Female		17	29	43
Middle Management				
Male	%	89	83	80
Female		11	17	20
Executives				
Male	%	68	50	55
Female		32	50	45
Non-executives				
Male	%	74	82	80
Female		26	18	20

SUSTAINABILITY STATEMENT

(CONT'D)

Metric	Unit	2025	2024	2023
Employee diversity by employee category:				
Senior Management	Number	6	NA	NA
Middle Management		9		
Executives		44		
Non-executives		35		
Number of employee turnover by employee category:				
Senior Management	Number	0	0	2
Middle Management		2	1	2
Executives		7	12	3
Non-executives		8	7	15
Number of employee hiring by employee category:				
Senior Management	Number	0	NA	NA
Middle Management		2		
Executives		7		
Non-executives		8		
Number of employee turnover by gender:				
Male	Number	13	NA	NA
Female		4		
Number of employee hiring by gender:				
Male	Number	13	NA	NA
Female		4		
BOD gender composition:				
Male	%	85	85	85
Female		15	15	15
BOD age composition:				
Below 30	%	0	0	0
Between 30-50		15	15	15
Above 50		85	85	85
Number of substantiated complaints concerning human rights violations	Number	0	0	0

SUSTAINABILITY STATEMENT

(CONT'D)

Training and Development

Metric	Unit	2025	2024	2023
Performance and career development review recipients by gender:				
Male	%	93	NA	NA
Female		92		
Grand total	Number	87		
	%	93		
Performance and career development review recipients by employee category:				
Senior Management	%	67	NA	NA
Middle Management		78		
Executives		93		
Non-executives		100		
Total hours of training by employee category:				
Senior Management	Hours	32	189	241
Middle Management		96	135	56
Executives		440	144	257
Non-executives		48	0	0
Grand total		616	468	554

Occupational Health and Safety

Metric	Unit	2025	2024	2023
Total hours worked:				
HQ	Hours	41,769	NA	NA
Plantation		1,808,640		
DPMM		6,873		
Pagoh		27,934		
Number of work-related fatalities:				
HQ	Number	0	0	0
Plantation		0	0	0
DPMM		0	0	0
Pagoh		0	0	0

SUSTAINABILITY STATEMENT

(CONT'D)

Metric	Unit	2025	2024	2023
Number of Lost Time Injury (LTI):				
HQ	Number	0	0	0
Plantation		0	0	0
DPMM		0	0	0
Pagoh		0	0	0
LTI rate:				
HQ	%	0	0	0
Plantation		0	0	0
DPMM		0	0	0
Pagoh		0	0	0
Number of employees/workers trained on health and safety standards:				
HQ	Number	12	NA	NA
Plantation		552		
DPMM		2		
Pagoh		12		

Community

Metric	Unit	2025	2024	2023
Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	515,488	457,110	561,750
Total number of beneficiaries of the investment in communities	Number	39	NA	NA

Environment

Metric	Unit	2025	2024	2023
GHG emission:				
Scope 1	tCO ₂ e	2,777.24	2,134.32	NA
Scope 2		8,879.02	9,953.36	
Scope 3 (business travel and employee commute only)		23.73	48.49	
Total waste directed to disposal	kg	15,763	NA	NA
Total waste diverted from disposal	kg	6,736	NA	NA

ADDITIONAL COMPLIANCE STATEMENT

1. MATERIAL CONTRACTS AND CONTRACTS RELATING TO LOANS

There were no contracts relating to loans and material contracts of the Company and its subsidiaries involving the Directors and Major Shareholders interests during the financial year or since the end of the previous financial year.

2. AUDIT AND NON-AUDIT SERVICES

Details of statutory audit, audit-related and non-audit fees paid/payable during the financial year ended 31 December 2025 to the External Auditors are set out below:

	Group (RM)	Company (RM)
Audit fees	142,000	55,000
Non-audit fees	9,000	5,000
Total	151,000	60,000

3. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE ("RRPT")

- (i) The Group obtained shareholders' mandate on RRPT at the last Annual General Meeting held on 28 May 2025. All RRPT during the financial year under review were within the mandate threshold.
- (ii) The Group will seek shareholders' mandate for the renewal of the RRPT at the forthcoming Sixty-Fourth (64th) Annual General Meeting ("AGM") to be held on 11 June 2026.

4. UTILISATION OF PROCEEDS

On 9 January 2026, Bursa Malaysia Securities Berhad ("Bursa Malaysia") had approved the proposed private placement of 41,287,738 new ordinary shares (up to 10% of the total number of issued shares of the Company) via shareholders' mandate at the Sixty-Third (63rd) AGM convened on 28 May 2025.

Accordingly on 26 March 2026, 25,300,000 placement shares were listed and quoted on Bursa Malaysia with raising total proceeds of RM5,313,000.

Status of utilisation of proceeds as at 8 April 2026 arising from aforesaid placement shares as follows:

Purpose	Proposed utilisation	Actual utilisation		Balance proceeds unutilised		Estimated timeframe for utilisation
	RM'000	RM'000	%	RM'000	%	
Replanting works for plantations segment	4,246	2,000	47.10	2,246	52.90	24 months
Working capital	1,000	169	16.90	831	83.10	12 months
Estimated expenses for Proposed Private Placement	67	67	100.00	NIL	NIL	Upon Completion
Total	5,313	2,236	42.09	3,077	57.91	

ADDITIONAL COMPLIANCE STATEMENT (CONT'D)

5. PROPOSED EXEMPTIONS

The Company had obtained the shareholders' approval via an Extraordinary General Meeting held on 16 April 2021 for a proposed exemption under subparagraphs 4.08(1)(a)&(c) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia ("SC") ("Rules") to Dato' Choo Keng Weng ("Dato' Choo") and Tan Sri Dato' Sri Haji Esa bin Haji Mohamed ("Tan Sri Haji Esa") as well as any persons acting in concert ("PACS") with them from the obligation to undertake a mandatory take-over offer on all the remaining shares in SHC not already held by them, pursuant to the acquisition by Sin Heng Chan (Malaya) Berhad ("SHC") of 4,000,002 ordinary shares in Tunas Selatan Pagoh Sdn. Bhd. from Tunas Selatan Construction Sdn. Bhd. for a total purchase consideration of RM145,900,000 which was satisfied via a combination of cash consideration of RM70,000,000, issuance and allotment of 110,000,000 new ordinary shares in SHC and issuance and allotment of 120,000,000 new irredeemable convertible preference shares ("ICPS") ("Exemption"). The Exemption was granted by the SC on 23 April 2021. The duration for the Exemption granted by SC covers the entire tenure of the ICPS which was issued in perpetuity.

During the financial year 2025, a total of 95,000,000 ICPS had been converted into 95,000,000 new ordinary shares, and with that there will be remaining of 20,000,000 ICPS.

The shareholdings of Dato' Choo and Tan Sri Haji Esa as well as the PACs in SHC as at 8 April 2026 and their maximum potential shareholdings after the full conversion of the ICPS by them is set out as follows:

Name	Ordinary Shares As at 8 April 2026				ICPS as at 8 April 2026				Estimated Shareholdings Assuming Full Conversion of ICPS			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Choo Keng Weng	23,264,293	5.56	116,292,025 ^{1,2,3,4,5}	27.81	-	0.00	20,000,000 ⁵	100.00	23,264,293	5.63	136,292,025 ^{1,2,3,4,5}	31.10
Tan Sri Dato' Sri Haji Esa bin Haji Mohamed	4,338,989	1.04	166,760,000 ^{2,5,6}	39.88	-	0.00	20,000,000 ⁵	100.00	4,338,989	1.05	186,760,000 ^{2,5,6}	42.62
PACs												
Best Acres Sdn.Bhd.	361,500	0.09	-	0.00	-	0.00	-	0.00	361,500	0.08	-	0.00
Goldquest Properties Pty Limited	12,400,000	2.97	-	0.00	-	0.00	-	0.00	12,400,000	2.83	-	0.00
Kuala Lumpur Medical Centre Sdn. Bhd.	7,000,000	1.67	-	0.00	-	0.00	-	0.00	7,000,000	1.60	-	0.00
Macronet Sdn. Bhd.	6,988,400	1.67	-	0.00	-	0.00	-	0.00	6,988,400	1.59	-	0.00
Seng Hoe & Choong Corporation Sdn. Bhd. ("SHCCSB")	34,000,000	8.13	35,360,000 ⁵	8.46	-	0.00	20,000,000 ⁵	100.00	34,000,000	7.76	55,360,000 ⁵	12.63
Tunas Selatan Construction Sdn. Bhd. ("TSC")	35,360,000	8.46	-	0.00	20,000,000	100.00	-	0.00	55,360,000	12.63	-	0.00
Tunas Selatan Sdn. Bhd. ("TSSB")	119,000,000	28.46	35,360,000 ⁵	8.46	-	0.00	20,000,000 ⁵	100.00	119,000,000	27.16	55,360,000 ⁵	12.63
Choo Kin Hoe	27,182,125	6.50	112,374,193 ⁷	26.87	-	0.00	-	0.00	27,182,125	6.20	132,374,193 ⁷	30.21
Total Shareholdings	269,895,307	64.54¹			20,000,000	100.00			289,895,307	66.16¹		

Note:

* Based on the issued share capital of the Company on 8 April 2026 of 418,177,387 shares.

** Based on the pro forma enlarged issued share capital of the Company of 438,177,387 shares, assuming TSC converts all the ICPS into ordinary shares.

¹ Deemed interest in shares held by Best Acres Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.

² Deemed interest in shares held by Goldquest Properties Pty Limited by virtue of Section 8 of the Companies Act 2016.

³ Deemed interest in shares held by Macronet Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.

⁴ Deemed interest in shares held by Seng Hoe & Choong Corporation Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.

⁵ Deemed interest in shares held by Tunas Selatan Construction Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.

⁶ Deemed interest in shares held by Tunas Selatan Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.

⁷ Deemed interest in shares held through Dato' Choo Keng Weng, Best Acres Sdn. Bhd., Goldquest Properties Pty Limited, Macronet Sdn. Bhd., Seng Hoe & Choong Corporation Sdn. Bhd. and Tunas Selatan Construction Sdn. Bhd. by virtue of Section 8 and Section 59(1)(c) of the Companies Act 2016.

ADDITIONAL COMPLIANCE STATEMENT (CONT'D)

6. SHARES ISSUANCE SCHEME

The Company established a long-term incentive plan which comprising an Employee Share Option Scheme ("ESOS") and Share Grant Plan ("SGP") of up to 15% of the total number of issued shares in the Company (excluding treasury shares, if any) ("LTIP"). The LTIP was approved by the Shareholders at the Extraordinary General Meeting held on 10 January 2024.

On 15 May 2024, the Company announced that the effective date for the LTIP has been fixed on 15 May 2024, being the date of submission of relevant documents to Bursa Malaysia.

There were no ESOS Options and/or SGP Awards being issued or exercised since the shareholders' approval been obtained.



FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities. There have been no significant changes in the nature of these activities during the financial year.

The principal activities of the subsidiaries and associate are set out in Notes 14 and 15 respectively to the financial statements.

FINANCIAL RESULTS

	Group RM	Company RM
Net profit for the financial year	8,419,428	3,919,671

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

RESERVES AND PROVISIONS

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

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend in respect of the current financial year.

DIRECTORS

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

Dato' Choo Keng Weng*
 Thomas Tuan Kit Kwong
 Mak Hon Weng
 Tunku Azlan bin Tunku Aziz
 Choo Kin Choong*
 Erna Syafina binti Abdul Rahman

* *Directors of the Company and certain subsidiaries*

Other than as stated above, the names of the Directors of the subsidiaries of the Company in office during the financial year up to the date of this report are:

Ghazali bin Ismail
 Dato' Dr Abu Talib bin Bachik
 Chu Siew Fei
 Hedzir bin Aminudin
 Panirchellvum A/L Velaitham
 Tan Sri Dato' Sri Haji Esa bin Haji Mohamed
 Noriha binti Embong

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of fees and emoluments received or due and receivable by the Directors from the Company and its related corporations, or the fixed salary of a full time employee of the Company and its related corporations as disclosed in Note 7(b) to the financial statements) by reason of a contract made by the Company or its related corporations with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 31(i) to the financial statements.

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

DIRECTORS' INTEREST IN SHARES

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

	At 1.1.2025	Number of ordinary shares		At 31.12.2025
		Bought	Sold	
Interest in the Company:				
Direct interest				
Dato' Choo Keng Weng	23,264,293	-	-	23,264,293*
Deemed interest				
Dato' Choo Keng Weng	37,846,500	78,445,525	-	116,292,025 [#]
Choo Kin Choong	61,110,793	78,445,525	-	139,556,318 ^{##}

* Includes shares held by nominees

[#] Deemed interest in shares held by Macronet Sdn. Bhd., Goldquest Properties Pty Limited, Seng Hoe & Choong Corporation Sdn. Bhd., Best Acres Sdn. Bhd., Tunas Selatan Construction Sdn. Bhd. and Choo Kin Hoe by virtue of Section 8 and Section 59(11)(c) of the Companies Act 2016

^{##} Deemed interest in shares held through Dato' Choo Keng Weng, Macronet Sdn. Bhd., Goldquest Properties Pty Limited, Seng Hoe & Choong Corporation Sdn. Bhd., Best Acres Sdn. Bhd., Tunas Selatan Construction Sdn. Bhd. and Choo Kin Hoe by virtue of Section 8 and Section 59(11)(c) of the Companies Act 2016

	Number of irredeemable convertible preference shares			
	At 1.1.2025	Bought	Sold	At 31.12.2025
Interest in the Company:				
Deemed interest				
Dato' Choo Keng Weng	67,000,000	-	(47,000,000)**	20,000,000 [^]
Choo Kin Choong	67,000,000	-	(47,000,000)**	20,000,000 ^{^^}

[^] Deemed interest in shares held by Tunas Selatan Construction Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016

^{^^} Deemed interest in shares held by Tunas Selatan Construction Sdn. Bhd. by virtue of Section 8 and Section 59(11)(c) of the Companies Act 2016

** Conversion of irredeemable convertible preference shares to ordinary shares

Other than the above, none of the other Directors in office at the end of the financial year has any interest in shares of the Company and of its related corporations during the financial year.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' REMUNERATION

Directors' remuneration is as follows:

	Group RM	Company RM
Executive Directors:		
Fees	145,000	70,000
Salaries and other emoluments	3,494,653	1,719,893
Defined contribution plan	383,660	214,160
Non-Executive Directors:		
Fees	140,000	140,000
Other emoluments	59,000	59,000
	4,222,313	2,203,053

No payment has been paid to or payable to any third party in respect of the services provided to the Company by the Directors of the Company during the financial year.

ISSUE OF SHARES AND DEBENTURES

There was no issuance of shares and debentures during the financial year.

SHARE OPTION SCHEME

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

OTHER STATUTORY INFORMATION

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

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there are no known bad debts and that adequate allowance had been made for doubtful debts in the financial statements of the Group and of the Company; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

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

- (i) which would render it necessary to write off bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; or
- (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; and
- (iv) not otherwise dealt with in the report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION (Cont'd)

In the opinion of the Directors:

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

COMPANY'S SHAREHOLDING

The details of the Company's shareholding in its subsidiaries and associate are disclosed in Notes 14 and 15 respectively to the financial statements.

INDEMNIFYING DIRECTORS OR OFFICERS

There was no indemnity given to or liability insurance effected for any Director and officer or of the Group of the Company during the financial year.

SIGNIFICANT EVENT DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 5 December 2025, the Company announced its proposal to undertake a private placement of up to 10% of the total number of issued shares in the Company to third party investors to be identified at a later date ("Proposed Private Placement"). On 9 January 2026, the Company received approval from Bursa Malaysia Securities Berhad to implement the Proposed Private Placement. On 12 March 2026, the issue price for the Proposed Private Placement has been fixed at RM0.21 per placement share. On 26 March 2026, 25,300,000 placement shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

AUDITORS' REMUNERATION

Auditors' remuneration is as follows:

	Group RM	Company RM
Al Jafree Salihin Kuzaimi PLT	142,000	55,000

AUDITORS

The auditors, Al Jafree Salihin Kuzaimi PLT, have expressed their willingness to continue in office.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Al Jafree Salihin Kuzaimi PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Al Jafree Salihin Kuzaimi PLT for the financial year ended 31 December 2025.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 23 April 2026.

DATO' CHOO KENG WENG

Director

Kuala Lumpur, Malaysia
23 April 2026

TUNKU AZLAN BIN TUNKU AZIZ

Director

STATEMENT BY DIRECTORS

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

We, **DATO' CHOO KENG WENG** and **TUNKU AZLAN BIN TUNKU AZIZ**, being two of the Directors of **SIN HENG CHAN (MALAYA) BERHAD**, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of the financial performance and the cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 23 April 2026.

DATO' CHOO KENG WENG

Director

TUNKU AZLAN BIN TUNKU AZIZ

Director

Kuala Lumpur, Malaysia

23 April 2026

STATUTORY DECLARATION

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

I, **CHONG SUN CHOI** (MIA Membership No. 30642), being the officer primarily responsible for the financial management of **SIN HENG CHAN (MALAYA) BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared)
by the abovenamed at **Kuala Lumpur**)
in the state of **Federal Territory**)
on 23 April 2026)

CHONG SUN CHOI

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SIN HENG CHAN (MALAYA) BERHAD
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Sin Heng Chan (Malaya) Berhad, which comprise the statements of financial position as at 31 December 2025 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 a summary of material accounting policy information, as set out on the accompanying pages.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. 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.

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 current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SIN HENG CHAN (MALAYA) BERHAD

(Incorporated in Malaysia)
(CONT'D)

KEY AUDIT MATTERS (Cont'd)

Key audit matters	How our audit addressed the key audit matters
(1) Goodwill on consolidation The Group's carrying amount of goodwill on consolidation amounting to RM19,192,988 (2024: RM19,192,988) is disclosed in Note 12(b) to the financial statements. We focused on this area due to the significance of the goodwill balance with indefinite useful life which is subject to annual impairment assessment pursuant to the requirements of MFRS 136. The impairment assessment performed by the Directors involved significant degree of judgements in estimating the assumptions on growth rates and discount rates used. The material accounting policy is disclosed in Note 2.15 to the financial statements and the key assumptions are disclosed in Notes 3.2(i) and 3.2(ii) respectively of the Critical Judgements and Estimation Uncertainty.	Our procedures included, amongst others: • Compared the actual results with previous cash flows projections to assess the performance of the business of the respective CGUs and historical accuracy of the projections; • Obtained the valuation reports prepared by the independent valuer of the Plantation CGU and challenged the assumptions used in the valuation report; • Evaluated the competency of independent external valuers which include consideration of their qualifications, expertise and objectivity; • Assessed the appropriateness of valuation methodology used by the independent external valuers and management; • Tested the mathematical accuracy of the impairment assessment; • Challenged the key assumptions used by the management for revenue growth rates, discount rates and estimated costs; • Checked the sensitivity analysis performed by management in respect of key assumptions; and • Assessed the adequacy of the disclosures in the financial statements in accordance with the requirements of MFRS 136, including any key sources of estimation uncertainty pertaining to the impairment assessment.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Group and of the Company are responsible for the other information. The other information comprises the Directors' Report, Statement by Directors and Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Annual Report 2025, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report 2025, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate action.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SIN HENG CHAN (MALAYA) BERHAD

(Incorporated in Malaysia)
(CONT'D)

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 the 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 and the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SIN HENG CHAN (MALAYA) BERHAD

(Incorporated in Malaysia)
(CONT'D)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (Cont'd)

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, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law and regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER 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.

AL JAFREE SALIHIN KUZAIMI PLT
201506002872 (LLP0006652-LCA) & AF1522
CHARTERED ACCOUNTANTS

Dated: 23 April 2026
Selangor, Malaysia

AIZUL IZUAN BIN ABDUL HAMID
NO. 03509/07/2026 J
CHARTERED ACCOUNTANT

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Revenue	4	51,231,477	52,863,833	10,000,000	8,000,000
Cost of sales		(37,905,865)	(40,145,434)	-	-
Gross profit		13,325,612	12,718,399	10,000,000	8,000,000
Other operating income		5,069,626	6,604,721	3,788,034	4,785,179
Distribution costs		(1,259,630)	(1,002,040)	-	-
Administrative expenses		(10,980,286)	(10,881,480)	(4,537,118)	(4,869,842)
Other operating expenses		(4,543,623)	(3,347,107)	(1,496,945)	(1,431,785)
Profit from operations		1,611,699	4,092,493	7,753,971	6,483,552
Finance costs	6	(9,392,812)	(10,036,377)	(3,834,300)	(3,825,609)
Share of results of an associate		16,648,913	15,686,348	-	-
Profit before tax	7	8,867,800	9,742,464	3,919,671	2,657,943
Tax expense	8	(448,372)	(1,008,307)	-	-
Net profit for the financial year, representing total comprehensive income for the financial year		8,419,428	8,734,157	3,919,671	2,657,943
Earnings per share	9				
- Basic (sen)		2.74	2.95	-	-
- Diluted (sen)		2.04	2.12	-	-

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

			Group		Company
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Non-current assets					
Property, plant and equipment	10	152,276,422	131,800,920	708,762	735,925
Investment properties	11	320,830	329,742	320,830	329,742
Intangible assets	12	20,442,988	21,042,988	-	-
Concession financial assets	13	38,667,257	41,278,275	-	-
Investment in subsidiaries	14	-	-	223,237,042	223,237,042
Investment in an associate	15	227,103,948	220,575,035	-	-
		438,811,445	415,026,960	224,266,634	224,302,709
Current assets					
Concession financial assets	13	2,611,018	2,457,006	-	-
Inventories	16	4,038,459	4,501,754	-	-
Biological assets	17	708,822	1,196,368	-	-
Trade receivables	18	11,796,226	9,805,448	-	-
Other receivables, deposits and prepayments	19	6,947,161	5,266,966	331,820	99,465
Amount owing by subsidiaries	20	-	-	36,457,880	31,398,849
Current tax assets		13,209	70,491	-	-
Other investments	21	3,278,488	16,828,969	-	-
Fixed deposits, cash and bank balances	22	20,637,660	20,980,235	8,509,896	9,308,683
		50,031,043	61,107,237	45,299,596	40,806,997
Total assets		488,842,488	476,134,197	269,566,230	265,109,706

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

(CONT'D)

			Group		Company
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Equity					
Share capital	23	214,355,357	183,005,357	214,355,357	183,005,357
Irredeemable convertible preference shares	24	6,600,000	37,950,000	6,600,000	37,950,000
Retained earnings/ (Accumulated losses)		64,664,857	56,245,429	(12,615,009)	(16,534,680)
		285,620,214	277,200,786	208,340,348	204,420,677
Non-current liabilities					
Borrowings	25	142,114,381	140,819,585	59,611,381	59,526,966
Finance lease liabilities	26	1,940,023	2,919,370	245,541	365,167
Deferred tax liabilities	27	10,014,206	9,812,380	-	-
Other payables and accruals	29	395,724	94,710	124,956	-
		154,464,334	153,646,045	59,981,878	59,892,133
Current liabilities					
Trade payables	28	9,771,088	5,534,132	-	-
Other payables and accruals	29	5,701,343	4,425,458	1,124,379	667,274
Borrowings	25	31,703,018	33,395,083	-	-
Finance lease liabilities	26	1,498,637	1,886,778	119,625	129,622
Current tax liabilities		83,854	45,915	-	-
		48,757,940	45,287,366	1,244,004	796,896
Total liabilities		203,222,274	198,933,411	61,225,882	60,689,029
Total equity and liabilities		488,842,488	476,134,197	269,566,230	265,109,706

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Group	Share capital RM	Irredeemable convertible preference shares RM	Retained earnings RM	Total RM
At 1 January 2025	183,005,357	37,950,000	56,245,429	277,200,786
Conversion of irredeemable convertible preference shares during the financial year	31,350,000	(31,350,000)	-	-
Total comprehensive income for the financial year	-	-	8,419,428	8,419,428
At 31 December 2025	214,355,357	6,600,000	64,664,857	285,620,214
At 1 January 2024	181,355,357	39,600,000	47,511,272	268,466,629
Conversion of irredeemable convertible preference shares during the financial year	1,650,000	(1,650,000)	-	-
Total comprehensive income for the financial year	-	-	8,734,157	8,734,157
At 31 December 2024	183,005,357	37,950,000	56,245,429	277,200,786

Company	Share capital RM	Irredeemable convertible preference shares RM	Accumulated losses RM	Total RM
At 1 January 2025	183,005,357	37,950,000	(16,534,680)	204,420,677
Conversion of irredeemable convertible preference shares during the financial year	31,350,000	(31,350,000)	-	-
Total comprehensive income for the financial year	-	-	3,919,671	3,919,671
At 31 December 2025	214,355,357	6,600,000	(12,615,009)	208,340,348
At 1 January 2024	181,355,357	39,600,000	(19,192,623)	201,762,734
Conversion of irredeemable convertible preference shares during the financial year	1,650,000	(1,650,000)	-	-
Total comprehensive income for the financial year	-	-	2,657,943	2,657,943
At 31 December 2024	183,005,357	37,950,000	(16,534,680)	204,420,677

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	8,867,800	9,742,464	3,919,671	2,657,943
Adjustments for:				
Allowance for impairment loss from amount owing by subsidiaries	-	-	30,941	29,926
Amortisation of intangible assets	600,000	600,000	-	-
Amortisation of investment properties	8,912	8,912	8,912	8,912
Depreciation of property, plant and equipment	9,391,385	8,943,977	292,561	264,916
Share of results of an associate	(16,648,913)	(15,686,348)	-	-
Fair value loss/(gain) on biological assets	487,546	(81,120)	-	-
Net unrealised gain on other investments	-	(840,675)	-	-
Net realised gain on other investments	(74,661)	(65,499)	-	-
Finance costs	9,392,812	10,036,377	3,834,300	3,825,609
Finance income from concession financial assets	(2,741,458)	(2,886,387)	-	-
Gain on disposal of property, plant and equipment	(242,508)	(135,000)	-	(135,000)
Interest income	(743,134)	(895,964)	(319,224)	(442,678)
Dividend received	(250,426)	(259,627)	-	-
Income from other investments	(12,109)	(170,672)	-	-
Operating profit before changes in working capital	8,035,246	8,310,438	7,767,161	6,209,628
Changes in working capital:				
Inventories	463,295	(864,995)	-	-
Trade receivables	(1,990,778)	(4,097,510)	-	-
Other receivables, deposits and prepayments	(1,680,195)	731,102	(232,355)	1,179,741
Concession financial assets	5,198,464	5,198,464	-	-
Trade payables	4,236,956	989,485	-	-
Other payables and accruals	1,576,899	1,109,332	582,061	(110,165)
Cash generated from operations	15,839,887	11,376,316	8,116,867	7,279,204
Income tax refunded	27,645	-	-	-
Income tax paid	(178,970)	(122,791)	-	-
Net cash generated from operating activities	15,688,562	11,253,525	8,116,867	7,279,204
CASH FLOWS FROM INVESTING ACTIVITIES				
Advances to subsidiaries	-	-	(5,089,972)	(5,772,741)
Dividend received from:				
- Associate	10,120,000	10,560,000	-	-
- Other investments	250,426	259,627	-	-
Proceeds from disposal/(Additional placement) of other investments	13,625,142	(31,238)	-	-
Interest received	743,134	895,964	319,224	442,678
Profit earned from other investments	12,109	170,672	-	-
Purchase of property, plant and equipment (a)	(29,319,887)	(25,285,419)	(265,398)	(80,281)
Proceeds from disposal of property, plant and equipment	242,508	135,000	-	135,000
(Placement)/Upliftment of fixed deposits	(628,502)	(2,956,856)	558,591	1,607,708
Net cash used in investing activities	(4,955,070)	(16,252,250)	(4,477,555)	(3,667,636)

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of borrowings	7,465,755	12,732,060	-	-
Repayment of borrowings	(10,375,530)	(12,353,666)	-	-
Interest paid	(8,619,285)	(9,189,197)	(3,749,885)	(3,741,195)
Repayment of lease liabilities	(1,914,488)	(1,986,111)	(129,623)	(94,525)
Net cash used in financing activities	(13,443,548)	(10,796,914)	(3,879,508)	(3,835,720)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,710,056)	(15,795,639)	(240,196)	(224,152)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	(13,808,344)	1,987,295	2,061,832	2,285,984
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	(16,518,400)	(13,808,344)	1,821,636	2,061,832
Cash and cash equivalents at end of financial year comprised:				
Fixed deposits with licensed banks	17,055,522	20,291,064	8,405,531	9,218,281
Cash and bank balances	3,582,138	689,171	104,365	90,402
Fixed deposits, cash and bank balances	20,637,660	20,980,235	8,509,896	9,308,683
Less: Bank overdraft	(24,685,289)	(22,946,310)	-	-
Less: Fixed deposits with maturity date more than 3 months	(12,470,771)	(11,842,269)	(6,688,260)	(7,246,851)
Cash and cash equivalents	(16,518,400)	(13,808,344)	1,821,636	2,061,832

(a) Purchase of property, plant and equipment

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Purchase of property, plant and equipment	29,866,887	27,366,299	265,398	575,281
Financed by way of hire purchase arrangements	(547,000)	(2,080,880)	-	(495,000)
Cash payments on purchase of property, plant and equipment	29,319,887	25,285,419	265,398	80,281

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The Company is principally an investment holding company. There have been no significant changes in the nature of these activities during the financial year.

The principal activities of the subsidiaries and associate are disclosed in Notes 14 and 15 respectively to the financial statements.

The registered office of the Company is located at Suite 9B.05, Level 9B, Wisma E&C, No. 2, Lorong Dungun Kiri, Damansara Heights, 50490 Wilayah Persekutuan, Kuala Lumpur.

The principal place of business of the Company is located at Level 3, Wisma E&C, No. 2, Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 23 April 2026.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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 financial statements have been prepared under the historical cost convention except otherwise stated in Note 2 to the financial statements.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is also the Group's and the Company's functional currency.

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 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 3.

2.1 Change of accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Group and the Company adopted the following standards and amendments for the first time for the financial year beginning on 1 January 2025.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The adoption of the abovementioned standards and amendments did not have any material financial impact on the financial statements of the Group and of the Company..

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.2 Standards and interpretation issued but not yet effective

The standards and amendments that have been issued but not yet effective up as of the date of issuance of the Group's and of the Company's financial statements are as follow:

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
Amendments to MFRS 9 and MFRS 7: (Classification and Measurement of Financial Instruments) and (Contracts Referencing Nature-dependent Electricity)	1 January 2026
Amendments to MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to MFRS 19: Subsidiaries without Public Accountability (Disclosures)	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Group and the Company intend to adopt the abovementioned standards and amendments when they become effective. The adoption is not expected to have any material impact on the financial statements of the Group and of the Company, except as disclosed below:

A) MFRS 18: Presentation and Disclosure in Financial Statements

MFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures and includes new requirements for the location, aggregation and disaggregation of financial information.

Statement of profit or loss

MFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. MFRS 18 also requires an entity to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'.

Management-defined performance measures

MFRS 18 introduces the concept of a management-defined performance measure ("MPM") which it defines as a subtotal of income and expenses that an entity uses in public communications outside financial statements, to communicate management's view of an aspect of the financial performance of the entity as a whole to users. MFRS 18 also requires disclosure of information about all of an entity's MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM, including how the measure is calculated and a reconciliation to the most comparable subtotal specified by MFRS 18 or another MFRS accounting standard.

Location of information, aggregation and disaggregation

MFRS 18 differentiates between 'presenting' information in the primary financial statements and 'disclosing' it in the notes, and introduces a principle for determining the location of information based on identified 'roles' of the primary financial statements and the notes. MFRS 18 requires aggregation and disaggregation of information to be performed with reference to similar and dissimilar characteristics.

The Group and the Company are currently assessing the financial impact that may arise from the adoption of MFRS 18.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.2 Standards and interpretation issued but not yet effective (Cont'd)

B) Amendments to MFRS 9 and MFRS 7: Classification and Measurement of Financial Instruments

Amendments to MFRS 9 and MFRS 7 provides clarification on:

- a. a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expired or the liabilities otherwise qualified for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.
- b. way to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance ("ESG")-linked features and other similar contingent features.
- c. the treatment of non-recourse assets and contractually linked instruments.

The Group and the Company are currently assessing the financial impact that may arise from the adoption of MFRS 9 and MFRS 7 amendments.

2.3 Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has met all the following:

- (i) Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- (i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Company, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.3 Basis of consolidation (Cont'd)

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intragroup transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in retained earnings and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest, and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in the profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to the profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

2.4 Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method of accounting. Under the acquisition method, the identifiable assets acquired and liabilities assumed are measured at their fair values at the acquisition date.

Acquisition costs incurred are expensed and included in administrative expenses. The difference between these fair values and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or discount on acquisition. The accounting policy for goodwill is set out in Note 2.15.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

In business combinations achieved in stages, previously held equity interest in the acquiree is re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Gains or losses on disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

2.5 Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. Dividends received from subsidiaries are recorded as a component of revenue in the Company's separate income statement. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are included in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.6 Associates

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. This is normally (though not necessarily) accomplished when the Group, directly or indirectly through subsidiaries, holds 20 per cent or more of the voting rights of the investee.

On acquisition of an associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

An associate is equity accounted for from the date on which the investee becomes an associate.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The profit or loss reflects the Group's share of the results of the associate. Any change in other comprehensive income ("OCI") of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in OCI. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate. When the Group's share of losses exceeds its interest in associate, the Group does not recognise further losses except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Dividends received or receivable from an associate is recognised as a reduction in the carrying amount of the investment.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the profit or loss outside operating profit and represents the profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying amount. Impairment loss is recognised in profit or loss.

In the Company's separate financial statements, investment in associate is stated at cost less impairment losses. On disposal of such investment, the difference between net disposal proceeds and the carrying amount is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.7 Revenue from contracts with customers

Revenue from contracts with customers is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers control of the goods or services promised in a contract and the customer obtains control of the goods or services. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of tax, returns, rebates and discounts. The transaction price is allocated to each distinct good or service promised in the contract. Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(i) Sale of fresh fruit bunches ("FFB")

The Group's plantation produce revenue is derived from sale of FFB. Revenue from sale of FFB produce is recognised at a point in time when control of the goods is transferred to the customer.

There is no element of financing present as the Group's sale of plantation produce are on credit terms of up to 14 days.

(ii) Revenue from concession arrangement

Under the concession agreement, the Group is engaged to construct the facilities and infrastructure and supply chilled water, which are separate performance obligations.

The fair value of revenue, which is based on fixed price under the agreement has been allocated based on relative standalone selling price of the considerations for each of the separate performance obligations.

The Group recognises construction revenue over time as the project being constructed has no alternative use to the Group and the Group has an enforceable right to the payment for the performance completed to date.

Revenue from supply of chilled water is recognised when the chilled water supply is delivered to off-taker, based on the invoiced value of sale of chilled water supplied computed on a pre-determined formula. The revenue also includes an estimated value of the chilled water supplied from the date of their last meter reading at period end. Accrued unbilled revenues are reversed in the following month when actual billing occurs.

(iii) Sale of goods – construction materials

The Group sells construction materials to local customers. Revenue from sale of construction materials is recognised at a point in time when control of the goods has been transferred, being when the customer accepts the delivery of goods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.8 Other income

(i) Dividend income

Dividend income is recognised when the right to receive the payment has been established.

(ii) Interest income and finance income from concession arrangement

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Finance income under a service concession arrangement represents the interest income on the long-term receivables recognised in respect of the service concession arrangement.

(iii) Management fee

Management fee is recognised at a point in time upon performances of services, calculated in accordance with terms stipulated in management fee agreement.

2.9 Employee benefits

(i) Short-term employee benefits

Wages, salaries and social security contributions are accrued and recognised as an expense in the financial period in which the associated services are rendered by employees of the Group.

Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Profit sharing and bonus payments are recognised when, and only when, the Group has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

(ii) Defined contribution plans

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

2.10 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds. Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset.

Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale, and in the case of bearer plants, when the oil palms reach maturity.

All other borrowing costs are recognised in profit or loss in the period they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.11 Taxation

(i) Current tax

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

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

(ii) Deferred tax

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

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

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

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

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.12 Property, plant and equipment

All property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Construction work in progress items are not available for use and thus not depreciated.

Oil palms are classified as bearer plants. Expenditure that are directly related to the planting and upkeep of oil palms are capitalised until the oil palms reach maturity. Upon maturity, maintenance and upkeep of oil palms are expensed to profit or loss. Depreciation for bearer plants commence when oil palms reach maturity.

All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis to write off the cost of the assets to their residual values over the term of their estimated useful lives as follows:

Bearer plants - oil palms	30 years
Leasehold building	60 years
Plant and machinery	5 years
Planting infrastructure	5 - 30 years
Renovation, furniture, fittings and equipment	2 - 10 years
Motor vehicles	5 years
Office space	2 years

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. See Note 2.17 on impairment of non-financial assets.

The residual values, useful life and depreciation method are reviewed at each reporting date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

2.13 Prepaid lease payments

Prepaid lease payments represent payments for right to use land over a predetermined period that is accounted for as an operating lease and is stated at cost less accumulated amortisation and accumulated impairment losses.

The prepaid lease payments are amortised on a straight-line basis over the lease period of 60 years (2024: 60 years). Unexpired lease period for right to use land is 32 years (2024: 33 years).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.14 Investment properties

Investment properties are land and building held for rental income and/or for capital appreciation which are not substantially occupied or intended to be occupied for use by, or in the operations of the Group.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land are not depreciated. Other investment properties are depreciated on a straight-line basis to write down the cost of each asset to its residual values over its estimated useful life.

The principal annual depreciation rates are:

Leasehold land over the unexpired lease period is 36 years (2024: 37 years)

The residual values and useful lives are reviewed, and adjusted if appropriate, annually. Investment properties are tested for impairment whenever indication of impairment exists, see Note 2.17 on impairment of non-financial assets.

2.15 Goodwill

Goodwill arising from the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units expected to benefit from the synergies of the combination. Cash generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

2.16 Service concession arrangements

A substantial portion of the Group's assets are used within the framework of concession contracts granted by a grantor.

In order to fall within the scope of service concession arrangement, a contract must satisfy the following two criteria:

- the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
- the grantor controls the significant residual interest in the infrastructure at the end of the term of the arrangement.

Such infrastructure are not recognised in assets of the Group as property, plant and equipment but in financial assets ("financial asset model") and/or intangible assets ("intangible asset model") depending on the remuneration commitments given by the grantor.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.16 Service concession arrangements (Cont'd)

(a) Concession intangible assets

Concession intangible assets comprising concession rights under intangible asset model, are stated at cost less accumulated amortisation and impairment losses, if any. Concession intangible assets acquired separately are measured on initial recognition at cost, which is the fair value as at the date of acquisition.

The amortisation begins when the concession asset is completed and ready for it to be capable of operating in the manner intended by management. The management adopts the chilled water supplied volume-based amortisation policy during concession period, which is in line with the pattern in which the asset's economic benefits are consumed.

At end of each reporting period, the Group assesses whether there is any indication of impairment. If such indication exists, the carrying amount is assessed and written down immediately to its recoverable amount.

The concession intangible assets apply to service concession arrangements where the grantor has not provided a contractual guarantee in respect of the amount receivable for constructing and operating the asset. During construction or upgrade phase or upon acquisition, the Group records a concession intangible asset representing the right to charge users and recognised profits from the construction or upgrade or acquisition of the infrastructure.

(b) Concession financial assets

The financial asset model applies when the operator has an unconditional right to receive cash or another financial asset from the grantor.

In the case of concession services, the operator has such an unconditional right if the grantor contractually guarantees the payment of:

- amounts specified or determined in the contracts; or
- the shortfall, if any, between amounts received from users and amounts specified or determined in the contract.

Concession financial assets are recognised at amortised cost.

The portion falling due within less than one year is presented in 'Current concession financial assets', while the portion falling due more than one year is presented in the non-current heading.

2.17 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows from continuing use ("CGU").

An asset's recoverable amount is the higher of its fair value less costs to sell and its value-in-use. Where the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount, the asset is written down to its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.17 Impairment of non-financial assets (Cont'd)

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

Impairment losses are recognised in profit or loss in the period in which it arises. Impairment losses recognised in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of assets other than goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. Such reversal is credited to profit or loss in the financial year in which the reversal is recognised.

2.18 Biological assets

The biological assets of the Group comprise of the produce growing on oil palms. Biological assets are measured at fair value less cost to sell. Changes in fair value less cost to sell are recognised in profit or loss. Fair value is determined based on the present value of expected net cash flows to be generated from the sale of biological assets.

The management considered the oil content of the unripe biological assets and derived the assumption that the net cash flow to be generated from biological assets prior to more than 2 weeks to harvest to be negligible, therefore quantity of unripe biological assets on bearer plants of up to 2 weeks prior to harvest from the reporting date was used for valuation purpose.

2.19 Inventories

Inventories are stated at the lower of cost and net realisable value, cost being determined on the weighted average basis. Cost includes all incidentals incurred in bringing the inventories into store. Net realisable value represents the estimated selling price less all estimated costs.

2.20 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, deposits and other short term, highly liquid investments with originally maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value, net of bank overdrafts and other restricted balances, if any.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.21 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost

(b) 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.

(c) 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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ('SPPI').

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 instruments 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:

(i) 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 income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in reversal of impairment together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statements of comprehensive income as applicable.

(ii) Fair value through profit or loss ('FVTPL')

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income ('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 bases. Fair value changes are recognised in profit or loss and presented net within other gains/(losses) on revaluation in the period which it arises.

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 income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in change of fair value in the statements of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.21 Financial assets (Cont'd)

(d) Subsequent measurement – Impairment

Impairment for debt instrument

The Group assesses on a forward-looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost and at FVOCI and financial guarantee contracts issued. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

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 expects to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

General 3-stage approach for receivables and amount due from intercompany

At each reporting date, the Group measures ECL through loss allowance at an amount equal to 12-month ECL if 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 required for assessment.

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of 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 Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are incorporated:

- internal credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.21 Financial assets (Cont'd)

(d) Subsequent measurement – Impairment (Cont'd)

The Group defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

The Group defines a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on individual basis.

Write-off:

(i) Trade receivables

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due.

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) Other receivables

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. Recoveries of amounts previously written off will result in impairment gains.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.22 Financial liabilities

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provision of the financial instrument. The Group determines the classification of financial liabilities at initial recognition.

Other financial liabilities

The Group's other financial liabilities include trade and other payables, borrowings and finance lease liabilities.

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

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.23 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

2.24 Share capital and dividends

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

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.25 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).

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group is a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.25 Leases (Cont'd)

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. See accounting policy below on reassessment of 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
- Decommissioning or restoration costs.

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.

While the Group revalues land and building (presented as part of property, plant and equipment) that it owns, it has chosen not to revalue the ROU building held by the Group.

The Group presents ROU assets that meet the definition of investment properties in the statements of financial position as investment properties. ROU assets that are not investment properties are presented as a separate line item in the statements of financial position.

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 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.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.25 Leases (Cont'd)

Reassessment of lease liabilities

The Group is also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

Short-term leases and leases of low-value assets

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

2.26 Related parties

A related party is a person or an entity that is related to the Group and the Company under the following conditions:

- (i) A person or a close member of that person's family:
 - (a) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity;
 - (b) has control or joint control over the reporting entity; or
 - (c) has significant influence over the reporting entity.
- (ii) Any one of the following conditions applies:
 - (a) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (b) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
 - (c) both entities are joint ventures of a third entity.
 - (d) either entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (e) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
 - (f) the entity is controlled or jointly controlled by a person identified in (i)(b).
 - (g) a person identified in (i)(c) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (h) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.26 Related parties (Cont'd)

(iii) Directly, or indirectly through one or more intermediaries, the party:

- (a) controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries, fellow subsidiaries, fellow associates and joint ventures);
- (b) has an interest in the entity that gives it significant influence over the entity; or
- (c) has joint control over the entity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

2.27 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.28 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

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

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

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

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

2.29 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that make strategic decisions.

3. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

3.1 Critical judgements made in applying accounting policies

The following are judgements made by the management in the process of applying the accounting policies of the Group that have the most significant effect on the amounts recognised in the financial statements:

(i) Classification of concession assets between an intangible asset and/or a financial asset in a service concession arrangement

The Group recognises the consideration received or receivable in exchange for the construction services as a financial asset and/or an intangible asset under service concession arrangement. The Group entered into service concession agreement for the installation and maintenance of a district cooling system. The Group has evaluated based on the terms and conditions of each arrangement whether the service concession arrangement is accounted for using intangible asset model and/or financial asset model.

The management judge that if, based on the terms and conditions of the arrangement, the Group has an unconditional contractual right to receive cash from the grantor and the grantor contractually guarantee to pay specific or determinable amounts for the services provided, then the service concession arrangements will be accounted under the financial asset model.

For service concession arrangement which given the Group a right to charge the users for the services provided, but not an unconditional right to receive cash, the Group will recognise the concession asset under the intangible asset model.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

3. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY (Cont'd)

3.2 Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years are discussed below:

(i) Impairment assessment on cash generating unit relating to oil palm plantation ("Plantation CGU")

The Group is required to assess at the end of each reporting period whether there is any indication that the carrying amount of a CGU may be impaired in accordance to the requirements of MFRS 136, "Impairment of Assets". If any of such indication exists, the management shall estimate the recoverable amount of the CGU. The recoverable amount of the CGU was determined based on the higher of fair value less cost to sell ("FVLCS") and value-in-use ("VIU").

The Plantation CGU includes goodwill allocated to the CGU as disclosed in Note 12(b) and other assets incurred in the oil palm plantation business.

The Plantation CGU's impairment test was based on FVLCS estimated using the income approach, by reference to the valuation carried out in 17 March 2026 by an independent external valuer. The same method has been used in the previous financial year. The fair value measurement was categorised as a Level 3 fair value based on inputs in the valuation techniques used.

The key assumptions used by the Group in arriving the recoverable amount of Plantation CGU includes, among others: the selling price of fresh fruit bunches ("FFB") of RM651.23/metric tonnes ("mt") – RM727.08/mt (2024: RM651.23/mt - RM727.08/mt), FFB yields per hectare ("ha") of 8-23 mt/ha (2024: 8-23 mt/ha) and discount rates of 6% and 10% (2024: 6% and 10%).

Sensitivity to changes in assumptions

Management believes that no reasonably possible change in any of the key assumptions used would cause the carrying amount of the CGU to materially exceed its recoverable amount.

(ii) Impairment assessment on cash generating unit relating to supply of cooling energy through district cooling system ("District cooling system CGU")

The District cooling system CGU includes concession financial assets, concession intangible assets and goodwill allocated to the CGU as disclosed in Note 12(b).

The recoverable amount of this CGU is based on VIU calculations which is determined by discounting the future cash flows expected to be generated from the use of the unit based on the following key assumptions:

	2025	2024
Projection period	12-years cash flows projection, based on the remaining period of the concession arrangement	13-years cash flows projection, based on the remaining period of the concession arrangement
Projected usage	Approximately 22 million RTh per annum	Approximately 22 million RTh per annum
Discount rates	12% per annum	12% per annum

The key assumptions are used in the assessment is based on the Group's historical trends and actual past performances.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

3. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY (Cont'd)

3.2 Estimation uncertainty (Cont'd)

(iii) Impairment assessment of investment in a subsidiary – Urun Plantations Sdn. Bhd. ("UPSB")

The Company is required to assess at the end of each reporting period whether there is any indication that the carrying amount of its investment in subsidiaries may be impaired in accordance to the requirements of MFRS 136, "Impairment of Assets".

If indicators are present, these investments are subjected to impairment review. The impairment review comprises a comparison of the carrying amount and estimated recoverable amount of the investment.

During the financial year, management has assessed that the investment in UPSB has indicator of impairment. Management has applied the FVLCS method to estimate the recoverable amount of this investment. This method has been applied the same when assessing the Plantation CGU. Further details of the key assumptions applied in the impairment assessment of investment in UPSB and sensitivity analysis to changes in the assumptions are disclosed in Note 3.2(i).

(iv) Amortisation of concession intangible assets

The carrying amount of the concession intangible assets is amortised by applying the formula "actual chilled water supplied over the estimated total chilled water to be supplied". The denominator of the formula includes estimated total chilled water supply for subsequent years. Changes in the expected total chilled water supply volume could impact future amortisation charges.

(v) Measurement of income taxes

Significant judgement is required in determining the Group's provision for current and deferred taxes because the ultimate tax liability for the Group as a whole is uncertain. When the final outcome of the taxes payable is determined with the tax authorities, the amounts might be different from the initial estimates of the taxes payable. Such differences may impact the current and deferred taxes in the period when such determination is made. The Group will adjust for the differences as over- or under-provision of current or deferred taxes in the current period in which those differences arise.

(vi) Fair value of biological assets

Biological assets represent the produce growing on oil palms. Fresh fruit bunches ("FFB") are harvested from the oil palms. The growing produce are essentially FFB prior to harvesting.

An oil palm fruit typically starts to develop oil from about 14 to 15 weeks after pollination. The oil content in the fruit increases exponentially over the next 5 weeks and reaches its maximum at about 22 weeks.

Management considered the maturity stages of FFB and concluded that FFB that are expected to be harvested for more than 2 weeks are excluded from fair valuation as their fair values are considered to be negligible.

The fair value of the growing produce is determined on the basis of present value of expected future cash flows.

If the selling price of unharvested FFB vary by 10%, the fair value of the Group's biological assets would increase or decrease by RM70,882 (2024: RM119,637).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

4. REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Dividend received from a subsidiary	-	-	10,000,000	8,000,000
Sales of fresh fruit bunches ("FFB")	33,026,653	35,496,228	-	-
Revenue from energy and facilities management services	14,809,724	14,111,048	-	-
Wholesale and distribution	3,395,100	3,256,557	-	-
	51,231,477	52,863,833	10,000,000	8,000,000
Timing of revenue recognition under MFRS 15				
Goods transferred at a point in time	36,421,753	38,752,785	10,000,000	8,000,000
Services rendered over time	14,809,724	14,111,048	-	-
	51,231,477	52,863,833	10,000,000	8,000,000

5. SEGMENT REPORTING

The Board of Directors is the Group's chief operating decision maker.

The Board of Directors assesses the performance of the operating segments based on profit before tax.

For management reporting purposes, the Group is organised into the following operating divisions according to the internal reporting structure:

- Plantations
- Energy and facilities management
- Investment holding
- Wholesale and distribution
- Others (consist of subsidiaries which are dormant and pre-operating)

Other segment activities comprise mainly expenses incurred by certain subsidiaries which are not directly attributable to any significant segment.

Segmental information by geographical location has not been disclosed as the Group operates only within Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

5. SEGMENT REPORTING (Cont'd)

Segment information provided to the Board of Directors for reportable segments for the financial year:

Group	Revenue		Results	
	External sales		Segment results before interest, tax and share of results of an associate	
	2025 RM	2024 RM	2025 RM	2024 RM
Plantations	33,026,653	35,496,228	2,195,224	4,487,531
Energy and facilities management	14,809,724	14,111,048	5,080,228	4,476,450
Investment holding	10,000,000	8,000,000	7,753,971	6,483,552
Wholesale and distribution	3,395,100	3,256,557	36,261	56,258
Others	-	-	(32,321)	(30,236)
Eliminations	(10,000,000)	(8,000,000)	(13,421,664)	(11,381,062)
Consolidated	51,231,477	52,863,833	1,611,699	4,092,493

Group	2025 RM	2024 RM
Consolidated		
Profit from operations	1,611,699	4,092,493
Finance costs	(9,392,812)	(10,036,377)
Share of results of an associate	16,648,913	15,686,348
Profit before tax	8,867,800	9,742,464
Tax expense	(448,372)	(1,008,307)
Net profit for the financial year	8,419,428	8,734,157

Group	Other information	
	Addition of property, plant and equipment	
	2025 RM	2024 RM
Plantations	28,813,009	26,312,491
Energy and facilities management	788,480	478,527
Investment holding	265,398	575,281
Consolidated	29,866,887	27,366,299

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

5. SEGMENT REPORTING (Cont'd)

Group	Other information Depreciation and amortisation	
	2025 RM	2024 RM
Plantations	8,674,271	8,367,120
Energy and facilities management	1,024,553	911,941
Investment holding	301,473	273,828
Consolidated	10,000,297	9,552,889

Group Statement of Financial Position	Assets Segment assets		Liabilities Segment liabilities	
	2025 RM	2024 RM	2025 RM	2024 RM
Plantations	139,889,817	118,730,241	123,034,290	101,930,214
Energy and facilities management	346,627,731	345,280,683	98,950,499	103,153,304
Investment holding	269,566,230	265,109,706	61,225,883	60,689,029
Wholesale and distribution	3,467,006	2,708,146	12,393,987	11,671,387
Others	13,563	13,584	11,414,700	11,382,400
Eliminations	(270,721,859)	(255,708,163)	(103,797,085)	(89,892,923)
Consolidated	488,842,488	476,134,197	203,222,274	198,933,411

6. FINANCE COSTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Term loans	7,876,507	8,560,234	3,814,414	3,807,587
Bank overdraft	1,290,403	1,181,456	-	-
Finance lease	225,902	294,687	19,886	18,022
	9,392,812	10,036,377	3,834,300	3,825,609

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

7. PROFIT BEFORE TAX

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax arrived after charging/(crediting):				
Interest income:				
Fixed deposits with licensed banks	(743,134)	(895,964)	(319,224)	(442,678)
Subsidiaries	-	-	-	(738,993)
Gain on disposal of property, plant and equipment	(242,508)	(135,000)	-	(135,000)
Share of results of an associate	(16,648,913)	(15,686,348)	-	-
Fair value loss/(gain) on biological assets	487,546	(81,120)	-	-
Finance income from concession financial assets	(2,741,458)	(2,886,387)	-	-
Management services fees from:				
Subsidiaries	-	-	(3,468,000)	(3,456,000)
Associate	(540,000)	(540,000)	-	-
Rental of premises and car parks	416,464	372,186	181,140	165,556
Rental income	(44,800)	(26,400)	-	-
Allowance for impairment loss from amount owing by subsidiaries	-	-	30,941	29,926
Auditors' remuneration:				
Audit fee	142,000	135,000	55,000	53,000
Non-audit fee	9,000	7,000	5,000	5,000
Amortisation of:				
Intangible assets	600,000	600,000	-	-
Investment properties	8,912	8,912	8,912	8,912
Dividend received:				
Other investments	(250,426)	(259,627)	-	-
Subsidiaries	-	-	(10,000,000)	(8,000,000)
Income from other investments	(12,109)	(170,672)	-	-
Net realised gain on other investments	(74,661)	(65,499)	-	-
Net unrealised gain on other investments	-	(840,675)	-	-
Depreciation of property, plant and equipment	9,391,385	8,943,977	292,561	264,916

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

7. PROFIT BEFORE TAX (Cont'd)

(a) The following are the operating costs included in cost of sales:

	2025 RM	Group 2024 RM
Consumables inventories	12,126,529	12,126,584
Amortisation of intangible assets	600,000	600,000
Depreciation of property, plant and equipment	5,484,721	5,221,373

(b) Directors' remuneration:

	2025 RM	Group 2024 RM	Company 2025 RM	2024 RM
Executive Directors:				
Fees	145,000	235,000	70,000	85,000
Salaries and other emoluments	3,494,653	3,513,715	1,719,893	1,826,717
Defined contribution plan	383,660	443,280	214,160	292,080
Non-Executive Directors:				
Fees	140,000	155,000	140,000	155,000
Other emoluments	59,000	58,500	59,000	58,500
	4,222,313	4,405,495	2,203,053	2,417,297

(c) Staff costs:

	2025 RM	Group 2024 RM	Company 2025 RM	2024 RM
Salaries, allowances and others	6,512,600	8,066,138	1,822,007	1,868,937
Defined contribution plan	686,499	615,293	210,585	218,407
	7,199,099	8,681,431	2,032,592	2,087,344

Staff costs of the Group are remunerations included in cost of sales amounting to RM4,356,699 (2024: RM6,034,036).

8. TAX EXPENSE

	2025 RM	Group 2024 RM	Company 2025 RM	2024 RM
Tax expense comprises				
Current income tax expense	203,408	153,626	-	-
Over provision in prior year	(10,363)	(9,494)	-	-
Deferred tax:				
Over provision in prior year	(106,023)	(49,703)	-	-
Origination and reversal of temporary differences	361,350	913,878	-	-
Total tax expense	448,372	1,008,307	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

8. TAX EXPENSE (Cont'd)

The reconciliation of tax expense applicable to profit before tax at the statutory tax rate to tax expense at the effective income tax rate of the Group and of the Company is as follows:

	2025 RM	Group 2024 RM	2025 RM	Company 2024 RM
Profit before tax	8,867,800	9,742,464	3,919,671	2,657,943
Tax expense at income tax rate of 24% (2024: 24%)	2,128,272	2,338,191	940,721	637,906
Income not subject to tax	(8,598,287)	(4,693,038)	(2,400,000)	(1,920,000)
Non-deductible expenses	5,248,217	3,816,788	2,727,106	1,976,678
Utilisation of previously unrecognised deferred tax assets	(1,288,518)	(708,086)	(1,267,827)	(694,584)
Deferred tax liabilities recognised during the financial year	3,064,806	304,155	-	-
Over provision of deferred tax in prior year	(106,023)	(49,703)	-	-
Over provision of income tax in prior year	(10,363)	(9,494)	-	-
Withholding tax	10,268	9,494	-	-
Total tax expense	448,372	1,008,307	-	-

9. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the consolidated net profit for the financial year by the weighted average number of ordinary shares in issue during the financial year as follows:

	2025 RM	Group 2024 RM
Net profit attributable to owners of the Company	8,419,428	8,734,157
	Units	Units
Weighted average number of shares in issue	307,321,223	295,609,627
Basic earnings per share (sen)	2.74	2.95

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025
(CONT'D)

9. EARNINGS PER SHARE (Cont'd)

Diluted earnings per share

Diluted earnings per share is calculated by dividing the consolidated net profit for the financial year by the weighted average number of ordinary shares in issue after adjustment for the effects of dilution by potential ordinary shares arising from irredeemable convertible preference shares of 20,000,000 (2024:115,000,000) as at financial year end as follows:

	2025 RM	Group 2024 RM
Net profit attributable to owners of the Company	8,419,428	8,734,157
	Units	Units
Weighted average number of shares in issue and issuable	412,877,387	412,877,387
Diluted earnings per share (sen)	2.04	2.12

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

10. PROPERTY, PLANT AND EQUIPMENT

Group	Bearer plants RM	Plant and machinery RM	Renovation, furniture, fittings and equipment RM	Motor vehicles RM	Planting infrastructure RM	Construction work in progress RM	Right of use RM	Total RM
2025								
Cost								
As at 1 January 2025	127,777,583	8,934,023	2,837,688	12,730,049	26,012,062	4,407,581	35,385,752	218,084,738
Addition	24,534,716	101,311	239,420	610,438	960,359	2,782,455	638,188	29,866,887
Reclassification	-	153,813	-	-	123,016	(3,455,754)	3,178,925	-
Disposal	-	(241,275)	-	(2,575)	-	-	(649,488)	(893,338)
As at 31 December 2025	152,312,299	8,947,872	3,077,108	13,337,912	27,095,437	3,734,282	38,553,377	247,058,287
Accumulated depreciation								
As at 1 January 2025	43,004,990	5,999,694	2,344,578	8,598,465	14,864,737	-	11,471,354	86,283,818
Charge for the financial year	2,905,945	1,205,324	258,314	1,390,985	2,578,775	-	1,052,042	9,391,385
Disposal	-	(241,275)	-	(2,575)	-	-	(649,488)	(893,338)
As at 31 December 2025	45,910,935	6,963,743	2,602,892	9,986,875	17,443,512	-	11,873,908	94,781,865
Carrying amount								
as at 31 December 2025	106,401,364	1,984,129	474,216	3,351,037	9,651,925	3,734,282	26,679,469	152,276,422

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

10. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group	Bearer plants RM	Plant and machinery RM	Renovation, fittings and equipment RM	Motor vehicles RM	Planting infrastructure RM	Construction work in progress RM	Right of use RM	Total RM
2024								
Cost								
As at 1 January 2024	108,800,075	8,212,529	2,652,005	10,460,695	23,947,449	2,901,629	35,349,486	192,323,868
Addition	18,977,508	721,494	185,683	2,665,580	2,064,613	1,505,952	1,245,469	27,366,299
Disposal	-	-	-	(396,226)	-	-	(1,209,203)	(1,605,429)
As at 31 December 2024	127,777,583	8,934,023	2,837,688	12,730,049	26,012,062	4,407,581	35,385,752	218,084,738
Accumulated depreciation								
As at 1 January 2024	40,099,046	4,843,887	2,034,427	7,679,287	12,549,310	-	11,739,313	78,945,270
Charge for the financial year	2,905,944	1,155,807	310,151	1,315,404	2,315,427	-	941,244	8,943,977
Disposal	-	-	-	(396,226)	-	-	(1,209,203)	(1,605,429)
As at 31 December 2024	43,004,990	5,999,694	2,344,578	8,598,465	14,864,737	-	11,471,354	86,283,818
Carrying amount								
as at 31 December 2024	84,772,593	2,934,329	493,110	4,131,584	11,147,325	4,407,581	23,914,398	131,800,920

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

10. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company	Renovation, furniture, fittings and equipment RM	Motor vehicles RM	*Right of use RM	Total RM
2025				
Cost				
As at 1 January 2025	917,536	1,030,106	249,912	2,197,554
Addition	15,486	-	249,912	265,398
Disposal	-	-	(249,912)	(249,912)
As at 31 December 2025	933,022	1,030,106	249,912	2,213,040
Accumulated depreciation				
As at 1 January 2025	763,739	572,934	124,956	1,461,629
Charge for the financial year	60,036	107,569	124,956	292,561
Disposal	-	-	(249,912)	(249,912)
As at 31 December 2025	823,775	680,503	-	1,504,278
Carrying amount as at 31 December 2025	109,247	349,603	249,912	708,762
2024				
Cost				
As at 1 January 2024	880,101	888,486	722,903	2,491,490
Addition	37,435	537,846	-	575,281
Disposal	-	(396,226)	(472,991)	(869,217)
As at 31 December 2024	917,536	1,030,106	249,912	2,197,554
Accumulated depreciation				
As at 1 January 2024	704,457	888,482	472,991	2,065,930
Charge for the financial year	59,282	80,678	124,956	264,916
Disposal	-	(396,226)	(472,991)	(869,217)
As at 31 December 2024	763,739	572,934	124,956	1,461,629
Carrying amount as at 31 December 2024	153,797	457,172	124,956	735,925

* Right of use of the Company consists of lease of office space.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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10. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(a) Assets held under finance lease

The carrying amount of the Group's and the Company's motor vehicles and plant and machinery held under finance lease at the reporting date was RM3,745,123 (2024: RM5,335,868) and RM349,000 (2024: RM457,169) respectively.

(b) Assets held under trust

The motor vehicles of the Group with carrying amount of RM356,301 (2024: RM466,281) are held under trust by certain Directors of the Company.

(c) Movement of bearer plants

Group	Mature RM	Immature RM	Total RM
2025			
Cost			
As at 1 January 2025	87,178,374	40,599,209	127,777,583
Addition	-	24,534,716	24,534,716
As at 31 December 2025	87,178,374	65,133,925	152,312,299
Accumulated depreciation			
As at 1 January 2025	43,004,990	-	43,004,990
Charge for the financial year	2,905,945	-	2,905,945
As at 31 December 2025	45,910,935	-	45,910,935
Carrying amount as at 31 December 2025	41,267,439	65,133,925	106,401,364
2024			
Cost			
As at 1 January 2024	87,178,374	21,621,701	108,800,075
Addition	-	18,977,508	18,977,508
As at 31 December 2024	87,178,374	40,599,209	127,777,583
Accumulated depreciation			
As at 1 January 2024	40,099,046	-	40,099,046
Charge for the financial year	2,905,944	-	2,905,944
As at 31 December 2024	43,004,990	-	43,004,990
Carrying amount as at 31 December 2024	44,173,384	40,599,209	84,772,593

Included in immature bearer plants are borrowing costs capitalised during the financial year amounting to RM1,696,754 (2024: RM914,231).

(d) Assets pledged as security

Bearer plants and planting infrastructure have been charged as security for borrowings as disclosed in Note 25.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

10. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(e) Right of use

Group	Leasehold building RM	Prepaid lease payments RM	Office space RM	Total RM
2025				
Cost				
As at 1 January 2025	9,859,051	24,667,212	859,489	35,385,752
Addition	22,300	-	615,888	638,188
Reclassification	3,178,925	-	-	3,178,925
Disposal	-	-	(649,488)	(649,488)
As at 31 December 2025	13,060,276	24,667,212	825,889	38,553,377
Accumulated depreciation				
As at 1 January 2025	1,451,811	9,667,709	351,834	11,471,354
Charge for the financial year	228,160	410,938	412,944	1,052,042
Disposal	-	-	(649,488)	(649,488)
As at 31 December 2025	1,679,971	10,078,647	115,290	11,873,908
Carrying amount as at 31 December 2025	11,380,305	14,588,565	710,599	26,679,469
2024				
Cost				
As at 1 January 2024	8,823,582	24,667,212	1,858,692	35,349,486
Addition	1,035,469	-	210,000	1,245,469
Disposal	-	-	(1,209,203)	(1,209,203)
As at 31 December 2024	9,859,051	24,667,212	859,489	35,385,752
Accumulated depreciation				
As at 1 January 2024	1,303,838	9,198,972	1,236,503	11,739,313
Charge for the financial year	147,973	468,737	324,534	941,244
Disposal	-	-	(1,209,203)	(1,209,203)
As at 31 December 2024	1,451,811	9,667,709	351,834	11,471,354
Carrying amount as at 31 December 2024	8,407,240	14,999,503	507,655	23,914,398

The Group's prepaid lease payments pertain to leasehold land, with an unexpired lease period of 32 years (2024: 33 years).

The leasehold land is pledged to a licensed bank for credit facilities granted to the Group as disclosed in Note 25 to the financial statements.

The prepaid lease payments are identified as part of the oil palm plantation cash generating unit of the Group. Details of its impairment assessment are disclosed in Note 3.2(i) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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11. INVESTMENT PROPERTIES

Group and Company	2025 RM	2024 RM
Cost		
As at 1 January/31 December	418,129	418,129
Accumulated amortisation		
As at 1 January	88,387	79,475
Amortisation for the financial year	8,912	8,912
As at 31 December	97,299	88,387
Carrying amount as at 31 December	320,830	329,742

The fair value of the investment properties as at 31 December 2025 is estimated at RM817,402 (2024: RM402,778) has been arrived at by the Directors based on reference to market evidence of transaction prices for similar properties. As at 31 December 2025, the Directors assessed the fair value of its investment properties based on the current prices in the market of properties of similar conditions and locations.

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

Investment properties of the Group and of the Company did not generate rental income during the financial year. Direct operating expenses incurred by the Group and the Company for investment properties during the financial year amounted to RM182 (2024: RM182).

12. INTANGIBLE ASSETS

Group	As at 1.1.2025 RM	Addition RM	As at 31.12.2025 RM
Cost			
Goodwill	19,192,988	-	19,192,988
Concession intangible assets	6,000,000	-	6,000,000
	25,192,988	-	25,192,988
Accumulated amortisation			
Concession intangible assets	4,150,000	600,000	4,750,000
		2025 RM	2024 RM
Carrying amount			
Goodwill		19,192,988	19,192,988
Concession intangible assets		1,250,000	1,850,000
		20,442,988	21,042,988

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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12. INTANGIBLE ASSETS (Cont'd)

(a) Concession intangible assets

In 2018, the Group entered into an agreement with Lianbang Ventures Sdn. Bhd. ("the grantor") for the construction, operation and maintenance of a district cooling plant located at Dataran Pahlawan Melaka Megamall. The Group is entitled to charge the grantor a minimum consumption of chilled water supply for a period of 10 years or if the minimum consumption is not achieved, the Company has the right to extend for another 2 years. The grantor does not guarantee the payment of the minimum consumption if it is not achieved during the period agreed.

Cost incurred in connection with the concession was classified as "Concession intangible assets" while the amortisation of concession intangible assets is included in the "cost of sales" line item in the statements of comprehensive income.

The concession intangible assets have been charged as security for borrowings as disclosed in Note 25 to the financial statements.

(b) Goodwill on consolidation

The goodwill in the Group's consolidated statements of financial position arose from the acquisition of two subsidiaries, namely Urun Plantations Sdn. Bhd. and Tunas Cool Energy Sdn. Bhd., represents two cash generating units ("CGU") involved in oil palm plantation ("Plantation CGU") and supply of cooling energy ("District cooling system CGU") respectively.

The Group carries out its impairment assessment on the goodwill on consolidation annually. The carrying amounts of goodwill allocated to each unit are as follows:

	2025 RM	2024 RM
CGU		
Plantation	16,329,389	16,329,389
District cooling system	2,863,599	2,863,599
	19,192,988	19,192,988

The recoverable amounts of these two CGUs are determined based on the higher of fair value less cost to sell ("FVLCS") and value-in-use ("VIU").

The recoverable amount of Plantation CGU is determined based on FVLCS by reference to the valuation carried out on 17 March 2026 by an independent external valuer. The recoverable amount of District cooling system CGU is determined based on VIU calculations.

The relevant key assumptions used and sensitivity to changes in assumptions for Plantation CGU and District cooling system CGU are disclosed in Notes 3.2(i) and 3.2(ii) respectively.

The Directors believe that no impairment of goodwill on consolidation is required as the recoverable amount of these CGUs exceeded their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

13. CONCESSION FINANCIAL ASSETS

	2025 RM	Group 2024 RM
Current	2,611,018	2,457,006
Non-current	38,667,257	41,278,275
	41,278,275	43,735,281

The movements in the net carrying amounts of non-current and current concession financial assets are as follows:

	2025 RM	Group 2024 RM
As at 1 January	43,735,281	46,047,358
Concession revenue recognised	9,824,606	9,824,606
Finance income recognised	2,741,458	2,886,387
Receipts	(15,023,070)	(15,023,070)
As at 31 December	41,278,275	43,735,281

The Group entered into an agreement with Sime Darby Property Selatan Satu Sdn. Bhd. ("the grantor") for the construction and operation of a district cooling system and thereafter supply of cooling energy from this district cooling system to designated university buildings for a period of 22 years. The grantor guaranteed a minimum usage over 22 years. The Group recognised the estimated consideration receivable under the service concession agreement as a financial asset.

The concession financial assets have been charged as security for borrowings as disclosed in Note 25 to the financial statements.

14. INVESTMENT IN SUBSIDIARIES

	2025 RM	Company 2024 RM
Unquoted shares, at cost	223,237,044	223,237,044
Less: Accumulated impairment losses	(2)	(2)
As at 31 December	223,237,042	223,237,042

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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14. INVESTMENT IN SUBSIDIARIES (Cont'd)

The subsidiaries, all incorporated in Malaysia, are as follows:

Name of subsidiaries	Effective equity interest		Principal activities
	2025	2024	
Goldkist (Malaysia) Sdn. Bhd. [#]	100%	100%	Dormant
Goldkist (NS) Sdn. Bhd. [#]	100%	100%	Supply of construction materials
SHC Technopalm Plantation Services Sdn. Bhd. [#]	100%	100%	Dormant
SHC Realty Sdn. Bhd. [#]	100%	100%	Dormant
Sin Heng Chan Feed Sdn. Bhd. [#]	100%	100%	Dormant
Urun Plantations Sdn. Bhd.	100%	100%	Cultivation of oil palm
Tunas Cool Energy Sdn. Bhd.	100%	100%	Supply of cooling energy
Tunas Selatan Pagoh Sdn. Bhd.	100%	100%	Project management services and investment holding
Subsidiary of Tunas Cool Energy Sdn. Bhd.			
SHC Capital Sdn. Bhd.	100%	100%	Special purpose vehicle and investment holding

[#] The audited reports of these subsidiaries contain a material uncertainty relating to the appropriateness of the going concern basis used in the preparation of their financial statements. The Company has confirmed to provide continued financial support to these subsidiaries to continue their business without any significant curtailment of their operations.

Impairment on investment in subsidiaries

The Company is required to assess at the end of each reporting period whether there is any indication that the carrying amount of its investment in subsidiaries may be impaired in accordance to the requirements of MFRS 136, "Impairment of Assets".

As result of the impairment test, management believes that no impairment to be recognised for the current financial year.

15. INVESTMENT IN AN ASSOCIATE

	2025 RM	Group 2024 RM
Unquoted shares, at cost	8,800,000	8,800,000
Post-acquisition reserves brought forward	211,775,035	206,648,687
Share of results of an associate	16,648,913	15,686,348
Dividend received	(10,120,000)	(10,560,000)
	227,103,948	220,575,035

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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15. INVESTMENT IN AN ASSOCIATE (Cont'd)

The associate incorporated in Malaysia is as follows:

Name of associate	Effective equity interest		Principal activities
	2025	2024	
Sime Darby Property Selatan Sdn. Bhd.*	40%	40%	Investment holding, asset management and construction

* Audited by a firm of auditors other than Al Jafree Salihin Kuzaimi PLT

In 2021, the Company acquired the entire shares of Tunas Selatan Pagoh Sdn. Bhd.. The subsidiary holds 40% of the issued equities of Sime Darby Property Selatan Sdn. Bhd.. The associate is principally engaged in the business of investment holding, asset management and construction.

The summarised financial information based on the audited results of the associate for the financial year ended 31 December 2025, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	2025 RM	Group 2024 RM
<u>Assets and liabilities</u>		
Non-current assets	990,996,158	1,065,679,380
Current assets	231,023,129	233,995,847
Non-current liabilities	(515,310,315)	(619,950,060)
Current liabilities	(138,982,288)	(128,360,910)
Net assets	567,726,684	551,364,257
<u>Results</u>		
Revenue	60,187,057	50,198,086
Net profit for the financial year	41,662,427	39,233,214
Share of profit for the financial year	16,648,913	15,686,348

16. INVENTORIES

	2025 RM	Group 2024 RM
At cost:		
Consumables	4,038,459	4,501,754

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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17. BIOLOGICAL ASSETS

	2025 RM	Group 2024 RM
As at 1 January	1,196,368	1,115,248
Fair value changes	(487,546)	81,120
As at 31 December	708,822	1,196,368

The biological assets of the Group comprise of oil palm fresh fruit bunches ("FFB") of up to 2 weeks prior to harvesting.

The quantity of unharvested FFB of the Group as at 31 December 2025 included in the fair valuation of FFB was 1,054 metric tonnes (2024: 1,229 metric tonnes).

The Group's biological assets were fair valued within Level 3 of the fair value hierarchy.

The Group attributes a fair value on the FFB prior to harvest at each statements of financial position date as required under MFRS 141, "Agriculture". FFB are produce of oil palm trees and are harvested continuously throughout the financial year. Each FFB takes approximately 22 weeks from pollination to reach maximum oil content to be ready for harvesting.

In determining the fair value of FFB, management has considered the oil content of all unripe FFB from the week after pollination to the week prior to harvest. As the oil content accrues exponentially in the 2 weeks prior to harvest, the FFB prior to 2 weeks before harvesting are excluded in the valuation as the fair value is considered negligible.

The valuation model adopted by the Group is income approach which considers the expected net cash inflows with reference to the market value of FFB at the date of harvest, adjusted for transportation and other cost to sell at the point of harvest. Changes to the assumed prices of the FFB and tonnage included in the valuation will have a direct effect on the reported valuation.

Sensitivity analysis

A 10% increase/decrease in the average oil palm FFB selling price (RM/mt) would result in the following changes to the fair value of the biological assets:

	2025 RM	Group 2024 RM
10% increase	70,882	119,637
10% decrease	(70,882)	(119,637)

18. TRADE RECEIVABLES

	2025 RM	Group 2024 RM
Third parties	11,796,226	9,805,448

Trade receivables of the Group comprise amounts receivable from sale of goods and income receivable from energy and facilities management services. The credit period granted on sale of goods and income receivable from energy and facilities management services ranges from 14 to 150 days (2024: 14 to 150 days).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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19. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other receivables	2,772,259	2,474,902	141,535	140,487
Less: Allowance for impairment losses	(1,658,954)	(1,658,954)	(140,487)	(140,487)
	1,113,305	815,948	1,048	-
Refundable deposits	2,828,379	2,822,287	40,478	41,717
Prepayments	3,005,477	1,628,731	290,294	57,748
Total other receivables, deposits and prepayments	6,947,161	5,266,966	331,820	99,465

Included in other receivables, deposits and prepayments of the Group and of the Company are rental deposits and advance rental of RM85,349 (2024: RM85,349) and RM35,312 (2024: RM35,312) respectively paid to Desa Samudra Sdn. Bhd., a company in which a Director of the Company has interest. Transactions with related parties are disclosed in Note 31 to the financial statements.

Movement of the Group's and the Company's allowance for impairment losses on other receivables is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
As at 1 January/31 December	1,658,954	1,658,954	140,487	140,487

20. AMOUNT OWING BY SUBSIDIARIES

	Company	
	2025 RM	2024 RM
Amount owing by subsidiaries	50,437,930	45,347,958
Less: Allowance for impairment losses	(13,980,050)	(13,949,109)
As at 31 December	36,457,880	31,398,849

Amount includes advances to wholly owned subsidiaries amounting to RM28,795,661 (2024: RM24,195,661) which bear interest at 5.25%-5.65% (2024: 3.25%) per annum. The remaining balances arose mainly from non-trade transactions, which are unsecured, interest free and are repayable on demand.

Movement of the Company's allowance for impairment losses on advance to subsidiaries is as follows:

	Company	
	2025 RM	2024 RM
As at 1 January	13,949,109	13,919,183
Addition	30,941	29,926
As at 31 December	13,980,050	13,949,109

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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21. OTHER INVESTMENTS

	2025 RM	Group 2024 RM
Investments at fair value through profit or loss:		
Investment in unit trust	1,031,208	12,011,329
Investment in quoted shares	2,247,280	4,817,640
	3,278,488	16,828,969

22. FIXED DEPOSITS, CASH AND BANK BALANCES

	2025 RM	Group 2024 RM	2025 RM	Company 2024 RM
Fixed deposits with licensed banks	17,055,522	20,291,064	8,405,531	9,218,281
Cash and bank balances	3,582,138	689,171	104,365	90,402
	20,637,660	20,980,235	8,509,896	9,308,683
Less: Fixed deposits with maturity date more than 3 months	(12,470,771)	(11,842,269)	(6,688,260)	(7,246,851)
Fixed deposits, cash and bank balances	8,166,889	9,137,966	1,821,636	2,061,832

The maturity periods of the fixed deposits as at the end of the financial year are as follows:

	2025 Days	Group 2024 Days	2025 Days	Company 2024 Days
Fixed deposits with licensed banks	1 – 365	1 – 365	1 – 182	1 – 182

The interest rates per annum of fixed deposits as at the end of the financial year are as follows:

	2025 Rates (%)	Group 2024 Rates (%)	2025 Rates (%)	Company 2024 Rates (%)
Fixed deposits with licensed banks	2.05 – 3.55	1.85 – 4.00	2.10 – 3.55	2.50 – 4.00

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23. SHARE CAPITAL

Group and Company	2025 Number of ordinary shares	2024 Number of ordinary shares	2025 RM	2024 RM
Issued and fully paid up				
As at 1 January	297,877,387	292,877,387	183,005,357	181,355,357
Conversion of irredeemable convertible preference shares	95,000,000	5,000,000	31,350,000	1,650,000
As at 31 December	392,877,387	297,877,387	214,355,357	183,005,357

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

24. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

Group and Company	2025 Number of shares	2024 Number of shares	2025 RM	2024 RM
Issued and fully paid up				
As at 1 January	115,000,000	120,000,000	37,950,000	39,600,000
Conversion of irredeemable convertible preference shares	(95,000,000)	(5,000,000)	(31,350,000)	(1,650,000)
As at 31 December	20,000,000	115,000,000	6,600,000	37,950,000

The holders of ICPS have the same rights as holders of ordinary shares as regards to receiving notices, reports and audited financial statements and attending general meetings.

The ICPS shall carry no right to vote at any general meeting or participation in any rights, allotments and/or other distribution in ICPS until and unless such holders convert their ICPS into new ordinary shares except in the following circumstances:

- On a proposal in respect of the winding up, liquidation, compromise and/or arrangement of the Company and during the winding-up, liquidation, compromise and/or arrangement of the Company;
- Any proposal that affects the rights and privileges attached to the ICPS, including, the creation and issuance of further preferences shares ranking in priority to the ICPS;
- Any proposal to reduce the Company's share capital (excluding any cancellation of share capital which is lost or unrepresented by assets); and
- Any proposal for the disposal of the whole or a substantial part of the property, business and undertaking of the Company. For the avoidance of doubt, such disposal shall constitute "Major Disposal" within the meanings as prescribed under the Listing Requirements in which the ordinary shares are listed and quoted on.

During the financial year, the Company issued 95,000,000 (2024: 5,000,000) new ordinary shares pursuant to the conversion of one ICPS at a conversion price of RM0.33 per ordinary share. The new ordinary shares rank *pari passu* in all respects with the existing ordinary shares of the Company.

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25. BORROWINGS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current:				
Bank overdraft	24,685,289	22,946,310	-	-
Term loan I	-	2,952,409	-	-
Term loan II	24,431	329,153	-	-
Term loan III	365,966	748,909	-	-
Term loan IV	573,477	545,273	-	-
Term loan V	923,835	873,029	-	-
Term loan VI	130,020	-	-	-
Islamic medium-term note I	5,000,000	5,000,000	-	-
	31,703,018	33,395,083	-	-
Non-current:				
Term loan II	-	10,056	-	-
Term loan III	-	370,795	-	-
Term loan IV	1,619,815	2,127,043	-	-
Term loan V	9,239,066	10,165,453	-	-
Term loan VI	20,494,980	13,159,245	-	-
Islamic medium-term note I	51,149,139	55,460,027	-	-
Islamic medium-term note II	59,611,381	59,526,966	59,611,381	59,526,966
	142,114,381	140,819,585	59,611,381	59,526,966
Total borrowings				
Bank overdraft	24,685,289	22,946,310	-	-
Term loan I	-	2,952,409	-	-
Term loan II	24,431	339,209	-	-
Term loan III	365,966	1,119,704	-	-
Term loan IV	2,193,292	2,672,316	-	-
Term loan V	10,162,901	11,038,482	-	-
Term loan VI	20,625,000	13,159,245	-	-
Islamic medium-term note I	56,149,139	60,460,027	-	-
Islamic medium-term note II	59,611,381	59,526,966	59,611,381	59,526,966
	173,817,399	174,214,668	59,611,381	59,526,966
Less: Repayable after one year	(142,114,381)	(140,819,585)	(59,611,381)	(59,526,966)
	31,703,018	33,395,083	-	-

The maturity profile of borrowings is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Not later than one year	31,703,018	33,395,083	-	-
Later than one year and not later than three years	26,324,533	14,944,638	10,000,000	-
Later than three years and not later than five years	66,129,136	46,657,924	49,611,381	30,000,000
Later than five years	49,660,712	79,217,023	-	29,526,966
	173,817,399	174,214,668	59,611,381	59,526,966

All borrowings are denominated in Ringgit Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

25. BORROWINGS (Cont'd)

Bank overdraft, Term loans I and II

Bank overdraft bears effective interest rate of 5.42% (2024: 5.67%) per annum.

Term loans I and II amounted to RM60,000,000 with a drawdown of RM32,360,400, bear interest at 5.42% (2024: 5.67%) per annum.

Bank overdraft, term loans I and II are secured by:

- (a) First party first legal charge over 2 adjoining pieces of oil palm land held by a subsidiary of the Company as prepaid lease payments;
- (b) A specific debenture over the oil palm plantation of a subsidiary of the Company; and
- (c) Corporate guarantee from the Company for RM85,000,000.

Term loan III

The term loan III amounted to RM4,500,000, bears interest at 2.50% above the lender's cost of fund per annum.

Term loan III is secured by:

- (a) Fresh asset sale agreement of RM6,302,686;
- (b) Deed of assignment of contract proceeds;
- (c) Fresh debenture over the past and all future fixed and floating aspects of a subsidiary of the Company; and
- (d) Corporate guarantee given by the Company for RM4,500,000.

Term loans IV, V and VI

The term loan IV amounted to RM5,000,000, bears interest at 5.42% (2024: 5.67%) per annum.

The term loan V amounted to RM11,250,000, bears interest at 5.42% (2024: 5.67%) per annum.

The term loan VI amounted to RM20,625,000, bears interest at 5.42% (2024: 5.67%) per annum.

Term loans IV, V and VI are secured by:

- (a) First party first legal charge over 2 adjoining pieces of oil palm land held by a subsidiary of the Company as prepaid lease payments;
- (b) A specific debenture over the oil palm plantation of a subsidiary of the Company; and
- (c) Corporate guarantee given by the Company for RM36,875,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

25. BORROWINGS (Cont'd)

Islamic medium-term note I ("Sukuk Wakalah")

In 2020, a wholly owned subsidiary of the Company, SHC Capital Sdn. Bhd. ("SHCC") issued Sukuk Wakalah of RM80,000,000 in nominal value. The proceeds from the issuance of the Sukuk Wakalah is expected to be utilised for finance investment activities, capital expenditure, working capital requirement and other general corporate purposes, which include repayment of any financing activities, borrowings or advances.

The period of repayment is 18 years commencing from December 2020 until June 2037 with effective interest rate of 6.38%.

The major covenants that are required to be complied by the subsidiary are as follows:

- (i) SHCC shall maintain a Finance Service Cover Ratio for so long as any Sukuk Wakalah remains outstanding; and
- (ii) SHCC shall maintain a Finance Service Reserve Account Minimum Required Balance.

The Sukuk Wakalah is secured by the followings:

- (i) An assignment by Tunas Cool Energy Sdn. Bhd. ("TCE") over its rights, titles, interests and benefits under the cooling energy supply agreement entered between the Sime Darby Property Selatan Satu Sdn. Bhd. ("SDPSS") and TCE dated 13 November 2015 ("CESA") in respect of certain payments payable by SDPSS to TCE;
- (ii) An assignment by TCE over its rights, titles, interests and benefits under the cooling energy agreement entered between TCE and KJ Technical Services Sdn. Bhd. ("KJTS") dated 24 January 2017 ("CEA");
- (iii) An assignment by TCE over its rights, titles, interests and benefits in all the Takaful contracts/Insurance policies taken by TCE in relation to its district cooling system business in Pagoh Education Hub, Johor ("Takaful/Insurances");
- (iv) A first ranking charge by the SHCC over the Designated Accounts (as defined under details of designated accounts) and the credit balances therein;
- (v) An assignment by the SHCC over its rights, interests and benefits in relation to the inter-company financing agreement entered or to be entered into between the SHCC and the TCE in respect of the advance by the SHCC to the TCE;
- (vi) A debenture by the SHCC incorporating a first ranking fixed and/or floating charge over and on its assets, both present and future; and
- (vii) Any other security deemed appropriate and mutually agreed between the SHCC and the Principal Adviser/Lead Arranger.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

25. BORROWINGS (Cont'd)

Islamic medium-term note II ("Sukuk Wakalah")

In 2021, the Company issued Sukuk Wakalah of RM60,000,000 in nominal value. The proceeds from the issuance of the Sukuk Wakalah is expected to be utilised to fund 86% of the cash consideration portion of RM70,000,000 for the acquisition of entire shares in Tunas Selatan Pagoh Sdn. Bhd. ("TSP").

The Sukuk were issued on an unrated basis with tenures of eight (8), nine (9) and ten (10) years, with periodic distributions payable on a semi-annual basis.

The major covenants that are required to be complied by the subsidiary are as follows:

- (i) The Company shall ensure that TSP shall remain a wholly owned subsidiary of the Company so long as Sukuk Wakalah is outstanding;
- (ii) The Company shall ensure that Sime Darby Property Selatan Sdn. Bhd. shall remain at least 40% owned by TSP so long as Sukuk Wakalah is outstanding;
- (iii) The Company may incur, assume or permit to exist any indebtedness for borrowed monies from lenders/financiers, provided that the Consolidated Finance to Equity Ratio ("Consolidated FE Ratio") is not more than 3.0 times; and
- (iv) Finance Service Cover Ratio ("FSCR") of at least 1.25 times.

The Sukuk Wakalah is secured by the followings:

- (i) A first legal assignment and charge by the Company over 4,000,002 shares of TSP, including the Company's right over the dividend payments from TSP;
- (ii) A first legal assignment of all the Company's rights, interests, titles and benefits under the Share Sale Agreement ("TSP Share Sale Agreement") between the Company and Tunas Selatan Construction Sdn. Bhd.; and
- (iii) A first party assignment and charge over all of the rights, titles, interests and benefits in the Tranche 1 Designated Accounts and all balances standing to the credit of the Tranche 1 Designated Accounts.

26. FINANCE LEASE LIABILITIES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Future lease payment payable:				
Not later than one year	1,639,521	2,102,198	133,370	149,508
Later than one year and not later than five years	2,044,597	3,108,204	258,720	392,090
Total future minimum lease payments	3,684,118	5,210,402	392,090	541,598
Less: Future finance charges	(245,458)	(404,254)	(26,924)	(46,809)
	3,438,660	4,806,148	365,166	494,789

NOTES TO THE FINANCIAL STATEMENTS

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26. FINANCE LEASE LIABILITIES (Cont'd)

Present value of minimum lease payments:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Within one year	1,498,637	1,886,778	119,625	129,622
Later than one year and not later than two years	1,047,057	1,397,981	102,116	119,625
Later than two years and not later than five years	892,966	1,521,389	143,425	245,542
	3,438,660	4,806,148	365,166	494,789
Analysed as:				
Repayable within twelve months	1,498,637	1,886,778	119,625	129,622
Repayable after twelve months	1,940,023	2,919,370	245,541	365,167

The finance lease of the Group and of the Company as at the end of the financial year are subject to fixed interest rate ranging from 1.6% to 4.91% (2024: 1.6% to 4.91%) per annum.

Certain property, plant and equipment financed through finance lease are secured by corporate guarantee given by the Company as disclosed in Note 30 to the financial statements.

27. DEFERRED TAX LIABILITIES

	2025 RM	Group 2024 RM
Deferred tax liabilities		
Temporary differences arising from:		
Revaluation of property, plant and equipment, and prepaid lease payments	(5,311,155)	(5,615,310)
Property, plant and equipment	(27,888,852)	(24,360,427)
	(33,200,007)	(29,975,737)
Deferred tax assets		
Unabsorbed capital allowances	11,163,437	9,930,930
Unutilised tax losses	12,022,364	10,232,427
	23,185,801	20,163,357
	(10,014,206)	(9,812,380)

28. TRADE PAYABLES

	2025 RM	Group 2024 RM
Third parties	9,771,088	5,534,132

Trade payables are non-interest bearing. The credit period granted to the Group ranges from 15 to 90 days (2024: 15 to 90 days).

NOTES TO THE FINANCIAL STATEMENTS

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29. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-current:				
Other payables	395,724	94,710	124,956	-
Current:				
Other payables	2,180,848	913,446	313,026	165,688
Accruals	3,520,495	3,512,012	811,353	501,586
	5,701,343	4,425,458	1,124,379	667,274
Total other payables and accruals	6,097,067	4,520,168	1,249,335	667,274

30. FINANCIAL GUARANTEES

As at 31 December 2025, the Company gave financial guarantees to licensed banks and financial institutions in respect of facilities granted to certain subsidiaries amounting to RM130,214,150 (2024: RM123,904,645).

The Directors are of the opinion that the financial guarantees need not be recognised as a liability as the probability of default by the relevant subsidiaries is remote.

31. SIGNIFICANT RELATED PARTY DISCLOSURES

(i) Significant related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the party has the ability, directly or indirectly, to control the Group and the Company or exercise significant influence over the Group and the Company in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company directly, or indirectly. The key management personnel include all the Directors of the Company, and certain members of senior management of the Group or of the Company.

The Group and the Company have related party relationship with its subsidiaries and key management personnel.

The related parties and their relationship with the Group and the Company are as follows:

Name of related party	Relationship
Desa Samudra Sdn. Bhd.	A Director of the Company has interest
Sime Darby Property Selatan Sdn. Bhd.	Associate
Sime Darby Property Selatan Satu Sdn. Bhd.	A subsidiary of Sime Darby Property Selatan Sdn. Bhd.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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31. SIGNIFICANT RELATED PARTY DISCLOSURES (Cont'd)

(i) Significant related party transactions (Cont'd)

During the financial year, significant related party transactions are as follows:

Group	2025 RM	2024 RM
Desa Samudra Sdn. Bhd.		
- Rental of premises, car parks and service charges charged to the Group	(416,464)	(410,952)
Sime Darby Property Selatan Satu Sdn. Bhd.		
- Supply of cooling energy	15,937,373	15,029,190
Sime Darby Property Selatan Sdn. Bhd.		
- Dividends received	10,120,000	10,560,000
- Management services fee charged by the Group	540,000	540,000
Company	2025 RM	2024 RM
Urun Plantations Sdn. Bhd.		
- Management services fee charged by the Company	852,000	852,000
- Interest charged by the Company	-	738,993
Tunas Cool Energy Sdn. Bhd.		
- Management services fee charged by the Company	1,380,000	1,380,000
Tunas Selatan Pagoh Sdn. Bhd.		
- Management services fee charged by the Company	1,200,000	1,200,000
- Dividends paid to the Company	10,000,000	8,000,000
Goldkist (NS) Sdn. Bhd.		
- Management services fee charged by the Company	36,000	24,000
Desa Samudra Sdn. Bhd.		
- Rental of premises, car parks and service charges charged to the Company	(181,140)	(184,780)

(ii) Remuneration of key management personnel

The remuneration of key management personnel (inclusive of Directors' remuneration as disclosed in Note 7 to the financial statements) during the financial year are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries, allowances and bonus	4,824,350	4,997,958	2,051,750	2,331,358
Defined contribution plan	536,582	608,893	247,070	345,781
Social security contribution	6,399	5,649	2,785	2,434
Fees	285,000	390,000	210,000	240,000
	5,652,331	6,002,500	2,511,605	2,919,573

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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32. FINANCIAL INSTRUMENTS

(a) Financial instruments by category

	2025 RM	Group 2024 RM
Financial assets at FVTPL		
Other investments	3,278,488	16,828,969
Financial assets at amortised cost		
Concession financial assets	41,278,275	43,735,281
Trade receivables	11,796,226	9,805,448
Other receivables and deposits	3,941,684	3,638,235
Fixed deposits, cash and bank balances	20,637,660	20,980,235
	77,653,845	78,159,199
Financial liabilities at amortised cost		
Trade payables	9,771,088	5,534,132
Other payables and accruals	6,097,067	4,520,168
Borrowings	173,817,399	174,214,668
Finance lease liabilities	3,438,660	4,806,148
	193,124,214	189,075,116
	2025 RM	Company 2024 RM
Financial assets at amortised cost		
Other receivables and deposits	41,526	41,717
Amount owing by subsidiaries	36,457,880	31,398,849
Fixed deposits, cash and bank balances	8,509,896	9,308,683
	45,009,302	40,749,249
Financial liabilities at amortised cost		
Other payables and accruals	1,249,335	667,274
Borrowings	59,611,381	59,526,966
Finance lease liabilities	365,166	494,789
	61,225,882	60,689,029

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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32. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management, objectives and policies

The activities of the Group and of the Company are subject to a variety of financial risks, including commodity price risk, interest rate risk, credit risk and liquidity risk. The Group's and the Company's financial risk management objective is to ensure that the Group and the Company create values for their shareholders.

(i) Commodity price risk

The Group is exposed to commodity price risk since the price of oil palm fresh fruit bunches ("FFB") is subject to fluctuations due to unpredictable factors such as weather, government policies, changes in global demand resulting from population growth, and global production of similar and competitive crops.

Revenue of the Group is therefore subject to price fluctuations in the commodity market.

As at 31 December 2025, a sensitivity analysis has been performed based on the Group's exposure to commodity prices. A 10% increase or decrease in FFB prices with all other variables being held constant, would increase or decrease the Group's profit before tax, by approximately RM3,302,665 (2024: RM3,549,623).

(ii) Interest rate risk

Interest rate 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 interest rates.

The Group and the Company are exposed to interest rate risk mainly through the impact of rate changes on bank borrowings. The interest rates for the said bank borrowings are disclosed in Note 25.

The Group's and the Company's exposures to interest rates on financial liabilities are detailed below. The sensitivity analysis below has been determined based on the exposure to interest rates for financial liabilities at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liabilities at the end of the reporting period will remain unchanged for the whole year.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's and the Company's profit before tax for the financial year would be decreased or increased as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Floating rate liabilities:				
Borrowings	869,087	871,073	298,057	297,635

Other financial assets and financial liabilities are either fixed interest rate or non-interest bearing and therefore are not affected by changes in interest rates.

(iii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties and assign credit limits to these counterparties by using their own trading records.

Credit risk arises from credit exposures to customers, including outstanding receivables, as well as fixed deposits, cash and bank balances.

Under MFRS 9, cash and cash equivalents are also subject to the impairment. However, the identified impairment loss was immaterial as the counterparties are reputable financial institutions with high credit ratings and no history of default.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

32. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management, objectives and policies (Cont'd)

(iii) Credit risk (Cont'd)

(a) Trade receivables

Credit risk concentration profile

As at the end of the reporting period, the Group has significant concentration of credit risk that arise from exposure to 4 major customers (2024: 5) which constitutes approximately 100% (2024: 100%) of the Group's trade receivables.

Exposure to credit risk, credit quality and collateral

Receivable balances are monitored on an ongoing basis. As the Group and the Company do not hold any collateral, the maximum exposure to credit risk represented by the carrying amount of trade receivables as at the end of reporting period.

Ageing analysis of trade receivables

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

	2025 RM	Group 2024 RM
Trade receivables		
Neither past due nor impaired	6,615,343	6,441,661
Past due but not impaired:		
Less than 30 days	852,192	188,142
31 to 60 days	540,921	219,429
61 to 150 days	1,551,983	2,956,216
More than 150 days	2,235,787	-
	5,180,883	3,363,787
	11,796,226	9,805,448

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Trade receivables that are past due but not impaired

As at 31 December 2025, RM5,180,883 (2024: RM3,363,787) of trade receivables of the Group were past due but not impaired. The Group generally grants credit terms of up to 150 days. The Group believes that no impairment is necessary in respect of these trade receivables as they are active customers with good collection track record and no recent history of default, but with slower repayment records.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

32. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management, objectives and policies (Cont'd)

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility of cash flows.

The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The tables below summarises the maturity profile of the Group's and of the Company's financial liabilities at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM'000	Contractual undiscounted cash flows RM'000	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000
2025					
Financial liabilities at amortised cost					
<u>Non-interest bearing:</u>					
Trade payables	9,771	9,771	9,771	-	-
Other payables and accruals	6,097	6,097	5,701	396	-
<u>Interest bearing:</u>					
Finance lease liabilities	3,439	3,684	1,639	2,045	-
Borrowings	173,817	225,127	40,029	120,961	64,137
	193,124	244,679	57,140	123,402	64,137
2024					
Financial liabilities at amortised cost					
<u>Non-interest bearing:</u>					
Trade payables	5,534	5,534	5,534	-	-
Other payables and accruals	4,520	4,520	4,425	95	-
<u>Interest bearing:</u>					
Finance lease liabilities	4,806	5,210	2,102	3,108	-
Borrowings	174,215	242,921	42,243	92,924	107,754
	189,075	258,185	54,304	96,127	107,754

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(CONT'D)

32. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management, objectives and policies (Cont'd)

(iv) Liquidity risk (Cont'd)

Company	Carrying amount RM'000	Contractual undiscounted cash flows RM'000	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000
2025					
Financial liabilities at amortised cost					
<u>Non-interest bearing:</u>					
Other payables and accruals	1,249	1,249	1,124	125	-
<u>Interest bearing:</u>					
Finance lease liabilities	365	392	133	259	-
Borrowings	59,611	77,617	3,730	73,168	719
	61,225	79,258	4,987	73,552	719
2024					
Financial liabilities at amortised cost					
<u>Non-interest bearing:</u>					
Other payables and accruals	667	667	667	-	-
<u>Interest bearing:</u>					
Finance lease liabilities	495	542	150	392	-
Borrowings	59,527	81,348	3,730	44,548	33,070
	60,689	82,557	4,547	44,940	33,070

(c) Fair value of financial instruments

	2025		2024	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group				
Finance lease liabilities	3,439	3,439	4,806	4,806
Company				
Finance lease liabilities	365	365	495	495

The fair values of borrowings are approximately their carrying amounts, as they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the other financial assets and liabilities of the Group and of the Company at the reporting date approximated their fair values either due to the relatively short-term nature or are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

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32. FINANCIAL INSTRUMENTS (Cont'd)

(d) Fair value hierarchy

The fair value measurement hierarchies used to measure assets and liabilities carried at fair value in the statements of financial position as at 31 December 2025 are as follows:

- (a) Level 1: Quoted prices (unadjusted) in active markets for identical asset or liability.
- (b) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- (c) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
2025				
Investment properties	-	-	817,402	817,402
Biological assets	-	-	708,822	708,822
Other investments	3,278,488	-	-	3,278,488
2024				
Investment properties	-	-	402,778	402,778
Biological assets	-	-	1,196,368	1,196,368
Other investments	16,828,969	-	-	16,828,969
Company				
2025				
Investment properties	-	-	817,402	817,402
2024				
Investment properties	-	-	402,778	402,778

33. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that the Group's and the Company's ability to continue as a going concern and maximise shareholder value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 31 December 2025.

The Group and the Company monitor capital using a gearing ratio, which is net debts divided by total capital plus net debts. The Group and the Company include within net debts, trade and other payables, finance lease liabilities, borrowings less fixed deposits, cash and bank balances.

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33. CAPITAL MANAGEMENT (Cont'd)

Gearing ratio

The gearing ratio analysis at end of the reporting period is disclosed as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Debts	193,124,214	189,075,116	61,225,882	60,689,029
Less: Fixed deposits, cash and bank balances	(20,637,660)	(20,980,235)	(8,509,896)	(9,308,683)
Net debts	172,486,554	168,094,881	52,715,986	51,380,346
Capital				
Equity attributable to owners of the Company	285,620,214	277,200,786	208,340,348	204,420,677
Capital and net debts	458,106,768	445,295,667	261,056,334	255,801,023
Gearing ratio	38%	38%	20%	20%

34. MATERIAL LITIGATION

A wholly owned subsidiary of the Company, Urun Plantations Sdn. Bhd. ("UPSB") was served on 27 June 2025 as the 3rd Defendant with a Writ of Summons dated 12 June 2025 in respect of a claim for Native Customary Rights Land ("NCR land").

This suit was initiated by five (5) individuals suing on behalf of themselves and other occupiers, holders or claimants of the NCR land situated at Long Urun area of Sungai Belaga of Uma Pawa, Long Urun, and Rumah Labang, Long Tengah, for a total claim of 54,478 hectares against the Superintendent of Land and Survey Kapit Division (1st Defendant), the Government of the State of Sarawak (2nd Defendant), UPSB (3rd Defendant), Lesley Tingang (4th Defendant), Tuai Rumah Eric William (5th Defendant) and Tuai Rumah Uda Tedong (6th Defendant).

The next court date has been fixed for 6 May 2026. UPSB has applied to strike out the Plaintiffs' claim on the grounds of time limitation, abuse of court process, and absence of a reasonable cause of action. The solicitors are of the opinion that there is a good prospect of successfully defending the claim.

35. SIGNIFICANT EVENT DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 5 December 2025, the Company announced its proposal to undertake a private placement of up to 10% of the total number of issued shares in the Company to third party investors to be identified at a later date ("Proposed Private Placement"). On 9 January 2026, the Company received approval from Bursa Malaysia Securities Berhad to implement the Proposed Private Placement. On 12 March 2026, the issue price for the Proposed Private Placemet has been fixed at RM0.21 per placement share. On 26 March 2026, 25,300,000 placement shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

AS AT 31 DECEMBER 2025

Landed properties in the Group consist of:

	Location	Description	Area	Tenure (Year Expiring)	Age of Building	Net Book Value (RM)
A.	Leasehold					
1	Lot 228 Melaka Tengah Jalan Tun Mutahir 75300 Melaka	Vacant Land	10,693 sq. ft.	2061	N/A	320,830
2	Provisional Lease Block 31, Lot 14 Punan Land District Sarawak	Oil Palm Plantation with Office/ Store/Worker Quarters	10,660 hectares	2057	25 years	14,588,565
	Lease of State Land Block 67, Lot 1 Dulit Land District Sarawak	Oil Palm Plantation	210.5 hectares	2057	N/A	
Grand Total						14,909,395

ANALYSIS OF SHAREHOLDINGS

AS AT 8 APRIL 2026

Number of Shares Issued	: 418,177,387
Class of Shares	: Ordinary Shares
Voting Rights	: One Vote Per Ordinary Share
No. of shareholders	: 3,712

DISTRIBUTION OF SHAREHOLDINGS as at 8 April 2026

Category	No. of Shareholders	No. of Shares	Percentage %
Less than 100	130	3,577	0.00
100 - 1,000	840	696,471	0.17
1,001 - 10,000	1,532	8,168,248	1.95
10,001 - 100,000	1,003	35,230,310	8.42
100,001 - less than 5% of issued shares	203	158,536,656	37.91
5% and above of issued shares	4	215,542,125	51.54
Total	3,712	418,177,387	100.00

LIST OF SUBSTANTIAL SHAREHOLDINGS as at 8 April 2026

No.	Name	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1	Seng Hoe & Choong Corporation Sdn. Bhd.	34,000,000	8.13	35,360,000 ⁷	8.46
2	Tunas Selatan Sdn. Bhd.	119,000,000	28.46	35,360,000 ⁷	8.46
3	Tunas Selatan Construction Sdn. Bhd.	35,360,000	8.46	-	-
4	Dato' Choo Keng Weng	23,264,293 ¹	5.56	116,292,025 ^{2,3,4,5,7&8}	27.81
5	Tan Sri Dato' Sri Haji Esa bin Haji Mohamed	4,338,989	1.04	166,760,000 ^{3,6&7}	39.88
6	Choo Kin Hoe	27,182,125	6.50	112,374,193 ⁹	26.87
7	Choo Kin Choong	-	-	139,556,318 ^{8&9}	33.37

Notes:

¹ Includes shares held by nominees.

² Deemed interest in shares held by Best Acres Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.

³ Deemed interest in shares held by Goldquest Properties Pty Limited by virtue of Section 8 of the Companies Act 2016.

⁴ Deemed interest in shares held by Macronet Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.

⁵ Deemed interest in shares held by Seng Hoe & Choong Corporation Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.

⁶ Deemed interest in shares held by Tunas Selatan Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.

⁷ Deemed interest in shares held by Tunas Selatan Construction Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.

⁸ Deemed interest in shares held by Mr. Choo Kin Hoe by virtue of Section 59(1)(c) of the Companies Act 2016.

⁹ Deemed interest in shares held through Dato' Choo Keng Weng, Best Acres Sdn. Bhd., Goldquest Properties Pty Limited, Macronet Sdn. Bhd., Seng Hoe & Choong Corporation Sdn. Bhd., and Tunas Selatan Construction Sdn. Bhd. by virtue of Section 8 and Section 59(1)(c) of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS

AS AT 8 APRIL 2026

(CONT'D)

LIST OF TOP 30 SHAREHOLDERS/DEPOSITORS
as at 8 April 2026

No.	Name	No. of Shares Held	Percentage (%)
1	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tunas Selatan Sdn. Bhd.	119,000,000	28.46
2	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tunas Selatan Construction Sdn. Bhd.	35,360,000	8.46
3	Seng Hoe & Choong Corporation Sdn. Bhd.	34,000,000	8.13
4	Maybank Nominees (Tempatan) Sdn. Bhd. Exempt An for UOB Kay Hian Wealth Advisors Sdn. Bhd. (Clients' Account) (Resident)	27,182,125	6.50
5	Choo Keng Weng	15,083,793	3.61
6	Goh Phaik Lynn	12,500,000	2.99
7	Goldquest Properties Pty Limited	12,400,000	2.97
8	Tee Tiam Lee	8,550,500	2.05
9	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Leong Kok Wah	8,066,800	1.93
10	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lee Kok Choon	8,000,000	1.91
11	Citigroup Nominees (Tempatan) Sdn. Bhd. UBS AG Singapore for Choo Keng Weng	7,478,500	1.79
12	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kuala Lumpur Medical Centre Sdn. Bhd.	7,000,000	1.67
13	Mercsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Macronet Sdn. Bhd.	6,988,400	1.67
14	Sheldon Wee Tah Poh	5,000,000	1.20
15	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Esa Bin Mohamed	4,338,989	1.04
16	Geoffrey Lim Fung Keong	2,604,000	0.62
17	Gan Hong Liang	2,178,800	0.52
18	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Su Ming Ming	2,052,000	0.49
19	Lim Chin Lee	2,000,000	0.48
20	Loh Lai Kim	1,928,600	0.46
21	Maybank Nominees (Tempatan) Sdn. Bhd. Panirchellvum A/L Velaitham	1,567,000	0.38
22	Lee Vee Min	1,494,700	0.36
23	Soh Eng Joo	1,187,500	0.28
24	Ngo Seh Tee	1,100,000	0.26
25	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Geok Wah (B Brklang-CL)	1,045,000	0.25
26	Murugan A/L Subeh @ Joseph	922,700	0.22
27	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Maybank Securities Pte Ltd for Eng Holdings Sdn. Bhd.	838,553	0.20
28	Tan Chai Kiang	812,000	0.19
29	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Wong Ah Kim	799,700	0.19
30	Loo Kiat Hoo	750,000	0.18
Total		332,229,660	79.45

ANALYSIS OF SHAREHOLDINGS

AS AT 8 APRIL 2026

(CONT'D)

DIRECTORS' INTEREST IN SHARES

as at 8 April 2026

No.	Name	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1	Mak Hon Weng	-	-	-	-
2	Dato' Choo Keng Weng	23,264,293 ¹	5.56	116,292,025 ^{2, 3, 4, 5, 6&7}	27.81
3	Choo Kin Choong	-	-	139,556,318 ⁸	33.37
4	Thomas Tuan Kit Kwong	-	-	-	-
5	Tunku Azlan bin Tunku Aziz	-	-	-	-
6	Erna Syafina binti Abdul Rahman	-	-	-	-

Notes:

¹ Includes shares held by nominees.

² Deemed interest in shares held by Best Acres Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.

³ Deemed interest in shares held by Goldquest Properties Pty Limited by virtue of Section 8 of the Companies Act 2016.

⁴ Deemed interest in shares held by Macronet Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.

⁵ Deemed interest in shares held by Seng Hoe & Choong Corporation Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.

⁶ Deemed interest in shares held by Tunas Selatan Construction Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.

⁷ Deemed interest in shares held by Mr. Choo Kin Hoe by virtue of Section 59(11)(c) of the Companies Act 2016.

⁸ Deemed interest in shares held through Dato' Choo Keng Weng, Mr. Choo Kin Hoe, Best Acres Sdn. Bhd., Goldquest Properties Pty Limited, Macronet Sdn. Bhd., Seng Hoe & Choong Corporation Sdn. Bhd., and Tunas Selatan Construction Sdn. Bhd. by virtue of Section 8 and Section 59(11)(c) of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS

IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

AS AT 8 APRIL 2026

Total Number of shares issued : 20,000,000 ICPS

LIST OF SUBSTANTIAL SHAREHOLDINGS as at 8 April 2026

No.	Name	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1	Seng Hoe & Choong Corporation Sdn. Bhd.	-	-	20,000,000 ¹	100
2	Tunas Selatan Construction Sdn. Bhd.	20,000,000	100	-	-
3	Tunas Selatan Sdn. Bhd.	-	-	20,000,000 ¹	100

Notes:

¹ Deemed interest in shares held by Tunas Selatan Construction Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.

LIST OF SHAREHOLDERS as at 8 April 2026

No.	Name	No. of Shares	%
1	Tunas Selatan Construction Sdn. Bhd.	20,000,000	100

DIRECTORS' INTEREST IN SHARES as at 8 April 2026

No.	Name	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1	Mak Hon Weng	-	-	-	-
2	Dato' Choo Keng Weng	-	-	20,000,000 ¹	100
3	Choo Kin Choong	-	-	20,000,000 ²	100
4	Thomas Tuan Kit Kwong	-	-	-	-
5	Tunku Azlan bin Tunku Aziz	-	-	-	-
6	Erna Syafina binti Abdul Rahman	-	-	-	-

Notes:

¹ Deemed interest in shares held by Tunas Selatan Construction Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.

² Deemed interest in shares held by Tunas Selatan Construction Sdn. Bhd. by virtue of Section 8 and Section 59(11)(c) of the Companies Act 2016.

NOTICE OF SIXTY-FOURTH (64TH) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixty-Fourth (64th) Annual General Meeting ("AGM") of Sin Heng Chan (Malaya) Berhad ("SHC" or the "Company") will be held at Function Room 2, Kuala Lumpur Golf & Country Club (KLGCC), 10, Jalan 1/70 D, Bukit Kiara, 60000 Kuala Lumpur, Federal Territory of Kuala Lumpur on Thursday, 11 June 2026 at 10.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

- | | | |
|----|--|-------------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Directors' and Auditors' Reports thereon. | Please refer to Note 1 |
| 2. | To approve Directors' fees and benefits payable up to RM375,000.00 for the period from the conclusion of the 64 th AGM until the conclusion of the next AGM. | Ordinary Resolution 1 |
| 3. | To re-elect Mr. Mak Hon Weng who retires in accordance with Article 94 of the Constitution of the Company and being eligible, has offered himself for re-election. | Ordinary Resolution 2 |
| 4. | To re-elect YM. Tunku Azlan bin Tunku Aziz who retires in accordance with Article 94 of the Constitution of the Company and being eligible, has offered himself for re-election. | Ordinary Resolution 3 |
| 5. | To re-appoint Messrs. Al Jafree Salihin Kuzaimi PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 4 |

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following Resolutions:

- | | | |
|----|--|------------------------------|
| 6. | AUTHORITY TO ISSUE SHARES BY THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 | Ordinary Resolution 5 |
|----|--|------------------------------|

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and any other governmental/regulatory authorities, the Directors of the Company be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors of the Company may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company at the time of submission to the authority AND THAT the Directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.

AND THAT pursuant to Section 85 of the Act, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new Company shares ranking equally to the existing issued Company shares arising from any issuance of the new Company shares pursuant to Sections 75 and 76 of the Act."

NOTICE OF SIXTY-FOURTH (64TH) ANNUAL GENERAL MEETING (CONT'D)

7. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **Ordinary Resolution 6**

"THAT the Company and/or its subsidiaries ("the Group") be and is/are hereby authorised to enter into all arrangements and/or transactions involving the interests of Directors, Major Shareholders or persons connected with Directors and/or Major Shareholders of the Group ("Related Parties") as specified in Section 2.2.1 of the Circular to Shareholders dated 30 April 2026 ("Circular"), provided that such arrangements and/or transactions are:

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for the Group's day-to-day operations;
- (iii) carried out in the ordinary course of business on normal commercial terms not more favourable to the Related Parties than those generally available to the public; and
- (iv) not detrimental to the minority shareholders.

('Recurrent Related Party Transaction ("RRPT") Mandate');

AND THAT the RRPT Mandate, unless revoked or varied by the Company in general meeting, shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier;

AND FURTHER RESOLVED THAT the Directors be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary or in the interest of the Company to give effect to the RRPT Mandate."

8. To transact any other business which may properly be transacted at an AGM for which due notice shall have been given.

By order of the Board,

LIM SECK WAH

(MAICSA 0799845)

(SSM PC No. 202008000054)

KONG MEI KEE

(MAICSA 7039391)

(SSM PC No. 202008002882)

Company Secretaries

Kuala Lumpur

Dated this: 30 April 2026

NOTICE OF SIXTY-FOURTH (64TH) ANNUAL GENERAL MEETING (CONT'D)

Notes:

1. This Agenda is meant for discussion only as under the provisions of Section 340(1)(a) of the Companies Act 2016, the Audited Financial Statements do not require formal approval of the shareholders. As such this item on the Agenda is not put forward for voting.
2. Subject to passing Ordinary Resolution 2, Mr. Mak Hon Weng who has been serving the Board for 12 years will be redesignated from Independent Non-Executive Director to Non-Independent Non-Executive Director of the Company.

The Board of Directors has through the Nomination and Remuneration Committee conducted an assessment on Mr. Mak Hon Weng who has served as an Independent Director for a cumulative term of more than twelve (12 years) and recommended to redesignate him as Non-Independent Non-Executive Director of the Company. The decision has been made based on the following justifications:

- (a) His years of experience in banking industry enabled him to provide the Board with a diverse set of experience, expertise, and independent judgment;
 - (b) He has performed his duty diligently and in the best interest of the Company and provides a broader view, independent and balance assessment of proposal from the Management; and
 - (c) He always ensures to uphold independent judgement and committed to the Board without compromising in decision-making.
3. For the purpose of determining a member who shall be entitled to attend, speak and vote at the AGM, the Company shall be requesting the Record of Depositors as at 3 June 2026. Only a depositor whose name appears on the Record of Depositors as at 3 June 2026 shall be entitled to attend the said Meeting or appoint proxies to attend, speak and vote on his/her behalf.
4. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A member may appoint up to two (2) proxies to attend the same meeting provided that he/she specifies the proportion of his/her shareholding to be represented by each proxy. A proxy may but need not be a member of the Company.
5. 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 but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member is an exempt authorised nominee, it may appoint multiple proxies for each omnibus account it holds.
7. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under the Corporation's Common Seal or under the hand of an officer or attorney so authorised.
8. The Proxy Form must be deposited at the office of the Poll Administrator, Mega Corporate Services Sdn. Bhd. situated at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or submitted via email to mega-sharereg@megacorp.com.my or to register electronically at <https://www.equiti.my> not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.
9. All resolutions set out in this Notice of AGM will be put to vote by way of poll pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities.

NOTICE OF SIXTY-FOURTH (64TH) ANNUAL GENERAL MEETING (CONT'D)

10. Explanatory Notes:

Ordinary Resolution 1 on Directors' Fees and Benefits

Section 230(1) of the Companies Act 2016 provides 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, shareholders' approval shall be sought at the 64th AGM on the Directors' fees and benefits under Ordinary Resolution 1.

The Directors' benefits comprising travelling, meeting allowance and benefits in-kind

Ordinary Resolution 5 on Authority to Issue Shares by the Company pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 5 is to seek mandate from its members to waive the pre-emptive right pursuant to Section 85 of the Companies Act 2016 and to give flexibility to the Board of Directors to issue and allot shares at any time in their absolute discretion and for such purposes as they consider would be in the interest of the Company without convening a general meeting.

The Company continues to consider opportunities to broaden its earnings potential. If any of the expansion/diversification proposals involves the issue of new shares, the Directors, under certain circumstance when the opportunity arises, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than ten percent (10%) of the total number of the issued shares.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to any amount not exceeding in total ten percent (10%) of the total number of issued shares of the Company. The authority will provide flexibility to the Company for the issuance of shares for the purpose of the possible fund-raising activities for the purpose of funding future project/investment, working capital and/or acquisitions. This authority, unless revoked or varied at a general meeting will expire at the conclusion of the next AGM of the Company.

On 9 January 2026, Bursa Securities had approved the proposed private placement of 41,287,738 new ordinary shares (up to 10% of the total number of issued shares of the Company). The aforesaid shares were allotted via the mandate from shareholders at the Sixty-Third (63rd) AGM convened on 28 May 2025. Accordingly, on 26 March 2026, 25,300,000 Placement Shares were listed and quoted on Bursa Securities with raising total proceeds of RM5,313,000.

Further information on the status of the utilisation of gross proceeds can be found on page 76 under the Additional Compliance Information of the Company's Annual Report 2025.

Ordinary Resolution 6 on Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

This resolution is primarily to give flexibility to the Board of Directors to enter into recurrent related party transactions of revenue or trading nature with the Directors/Major Shareholders or persons connected with the Directors/Major Shareholders ("Renewal RRPT Mandate").

Further information of Renewal RRPT Mandate is contained in the Circular to Shareholders dated 30 April 2026.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

Details of the Directors who are standing for re-election at this AGM can be found on pages 4 and 5 – Profile of Directors in the Company's Annual Report 2025.

Mr. Mak Hon Weng and YM. Tunku Azlan bin Tunku Aziz, the Directors are retiring in accordance with Article 94 of the Constitution of the Company and eligible for re-election at the forthcoming 64th AGM.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADMINISTRATIVE NOTES

FOR THE SIXTY-FOURTH ANNUAL GENERAL MEETING ("64TH AGM" OR "MEETING") OF SIN HENG CHAN (MALAYA) BERHAD ("SHC" OR "COMPANY")

Date : Thursday, 11 June 2026

Time : 10:00 a.m.

Venue : Function Room 2, Kuala Lumpur Golf & Country Club (KLGCC), 10, Jalan 1/70D, Bukit Kiara, 60000 Kuala Lumpur.

REGISTRATION FOR THE DAY OF THE 64TH AGM

- Registration will commence at 8:00 a.m. on 11 June 2026 and will remain open until the conclusion of the 64th AGM or such time as may be determined by the Chairman of the Meeting.
- Please present your original National Registration Identity Card (NRIC) or Passport (for non-Malaysian) to the registration staff for verification.
- Upon verification, an identification wristband will be given to you for voting purposes thereafter. No one will be allowed to enter the meeting hall without an identification wristband. There will be no replacement for the identification wristband if it is lost or misplaced.
- Registration must be done in person. No person is allowed to register on behalf of another, even with the original NRIC or Passport of the other person.
- The registration counter will handle verification of identity, registration and revocation of proxy/proxies.

GENERAL MEETING RECORD OF DEPOSITORS

- Only a member whose name appears on the ROD as at 3 June 2026 shall be entitled to attend, speak and vote (collectively "participate") at the 64th AGM or appoint proxy(ies) to participate on his/her/its behalf.

CORPORATE MEMBERS

- Corporate members who wish to appoint corporate representatives instead of proxy(ies), must deposit their original certificate of appointment of corporate representative to Mega Corporate Services Sdn. Bhd. ("Mega") before the 64th AGM, or bring the original certificate of appointment of corporate representative to the 64th AGM.
- Attorneys appointed by power of attorney are required to deposit their power of attorney with Mega not later than 9 June 2026 at 10:00 a.m. to attend and vote at the 64th AGM.

PROXY

The appointment of proxy(ies) may be made in hard copy form or by electronic form in the following manners and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 64th AGM or adjourned general meeting at which the person named in the appointment proposes to vote, otherwise the Form of Proxy shall not be treated as valid:

a. In hard copy form

In case of an appointment made in hard copy form, the Form of Proxy must be deposited at the office of the Company Secretary, Mega Corporate Services Sdn. Bhd. at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, or email to the Poll Administrator at mega-sharereg@megacorp.com.my. For those who have emailed the Form of Proxy, please submit the original at any time before the time appointed for holding the meeting or to the registration staff on the meeting day for the Company's records.

b. By electronic form

The proxy form can be electronically lodged at <https://www.equiti.my/>.

ADMINISTRATIVE NOTES (CONT'D)

ELECTRONIC LODGEMENT OF FORM OF PROXY

The procedures to lodge your Form of Proxy electronically via The Portal website are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User at The Portal	1. Visit the website at https://www.equiti.my/. 2. Click "Register" and select "individual Holder" and complete the New User Registration Form. 3. Complete the registration form with your personal details. 4. Once registration is completed, you will receive a verification code to your email to verify your registered email address. 5. After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by logging in with your email address and password. <i>Note: If you are an existing user of Equiti.my, you are not required to register again.</i>
Proceed with submission of Form of Proxy	1. After the release of the Notice of Meeting by the Company, login with your email address and password. 2. Select the corporate event: "SIN HENG CHAN (MALAYA) BERHAD 64TH AGM". 3. Navigate to the "SUBMISSION OF E PROXY FORM". 4. Indicate the CDS account number (last 9 digits) and the total number of shares assigned to your proxy(ies) to vote on your behalf. 5. Appoint your proxy(ies) and insert the required details of your proxy(ies), or appoint the Chairman as your proxy. 6. Indicate your voting instructions – FOR or AGAINST or ABSTAIN. 7. Read and agree to the Terms and Conditions and confirm the Declaration. 8. Download the Form of Proxy for your record at "MY SUBMISSION".
ii. Steps for Corporation or Institutional Shareholders	
Register as a User at The Portal	1. Visit the website at https://www.equiti.my/. 2. Click "Register" and select "Nominee/Corporate" and complete the New User Registration Form. 3. Complete the registration form with your personal details. 4. Once registration is completed, you will receive a verification code to your email to verify your registered email address. 5. After verification, your registration will be reviewed and approved within two (2) working days. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by logging in with your email address and password. <i>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact the Poll Administrator if you need clarification on the user registration.</i>
Proceed with submission of Form of Proxy	1. Login to https://www.equiti.my/ with your email address and password. 2. Select the corporate event: "SIN HENG CHAN (MALAYA) BERHAD 64TH AGM". 3. Navigate to the "SUBMISSION OF E PROXY FORM". 4. Indicate the CDS account number (last 9 digits) and the total number of shares assigned to your proxy(ies) to vote on your behalf. 5. Appoint your proxy(ies) and insert the required details of your proxy(ies), or appoint the Chairman as your proxy. 6. Indicate your voting instructions – FOR or AGAINST or ABSTAIN. 7. Read and agree to the Terms and Conditions and confirm the Declaration. 8. Download the Form of Proxy for your record at "MY SUBMISSION".

ADMINISTRATIVE NOTES (CONT'D)

POLL VOTING

- The voting at the 64th AGM will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Securities. The Company has appointed Mega Corporate Services Sdn. Bhd. as the Poll Administrator to conduct the poll.
- Upon completion of the voting session for the 64th AGM, the Independent Scrutineers will verify the poll results, followed by the Chairman's declaration whether the resolutions are duly passed.

NO DOOR GIFTS OR VOUCHERS

- There will be no distribution of vouchers or door gifts for the 64th AGM.

NO RECORDING OR PHOTOGRAPHY

- Strictly NO recording and photography of the proceedings of the 64th AGM is allowed.

ENQUIRY

- If you have any enquiries on the above, please contact the Poll Administrator during office hours on Monday to Friday from 9:00 a.m. to 6:00 p.m. (except on public holidays):

Mega Corporate Services Sdn. Bhd.

General Line : +603-26924271

Direct Line : +603-2694 8984

Email Address : mega-sharereg@megacorp.com.my

**SIN HENG CHAN (MALAYA) BERHAD**Registration No. 196201000185 (4690-V)
(Incorporated in Malaysia)**PROXY FORM**

(Before completing this form, please refer to the notes)

CDS Account No.	:	
No. of Shares Held	:	

I/We* _____ NRIC/Passport/Registration No.* _____

(Full name in block)

of _____

(Address)

with email address _____ mobile phone no. _____

being a member/members* of **SIN HENG CHAN (MALAYA) BERHAD** ("the Company") hereby appoint(s):

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings %
Address		
Email Address		
Mobile Phone No.		

and/or*

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings %
Address		
Email Address		
Mobile Phone No.		

or failing him/her, the Chairman of the Meeting as *my/our proxy to attend, speak and vote for *my/our behalf at the Sixty-Fourth (64th) Annual General Meeting of the Company to be held at Function Room 2, Kuala Lumpur Golf & Country Club, 10, Jalan 1/70 D, Bukit Kiara, 60000 Kuala Lumpur, Federal Territory of Kuala Lumpur on Thursday, 11 June 2026 at 10.00 a.m. or any adjournment thereof in the manner as indicated below:

RESOLUTIONS RELATING TO:		FIRST PROXY		SECOND PROXY	
		FOR	AGAINST	FOR	AGAINST
ORDINARY RESOLUTION					
1.	Approval of Directors' fees and benefits payable up to RM375,000.00 for the period from the conclusion of 64 th Annual General Meeting until the conclusion of the next Annual General Meeting.				
2.	Re-election of Mr. Mak Hon Weng as a Director retiring under the Constitution of the Company.				
3.	Re-election of YM. Tunku Azlan bin Tunku Aziz as a Director retiring under the Constitution of the Company.				
4.	Re-appointment of Messrs. Al Jafree Salihin Kuzaimi PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.				
SPECIAL BUSINESS					
ORDINARY RESOLUTION					
5.	Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.				
6.	Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature.				

Please indicate with a "✓" or "X" in the space provided how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

Signature of Shareholder(s)/Common Seal

Signed this _____ day of _____ 2026

* Strike out whichever is not desired.

Notes:

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the AGM, the Company shall be requesting the Record of Depositors as at 3 June 2026. Only a depositor whose name appears on the Record of Depositors as at 3 June 2026 shall be entitled to attend the said Meeting or appoint proxies to attend, speak and vote on his/her behalf.
2. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A member may appoint up to two (2) proxies to attend the same meeting provided that he/she specifies the proportion of his/her shareholding to be represented by each proxy. A proxy may but need not be a member of the Company.
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 but not more than two (2) proxies 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, it may appoint multiple proxies for each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under the Corporation's Common Seal or under the hand of an officer or attorney so authorised.
6. The Proxy Form must be deposited at the office of the Poll Administrator, Mega Corporate Services Sdn. Bhd. situated at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or submitted via email to mega-sharereg@megacorp.com.my or register electronically at <https://www.equiti.my> not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.
7. All resolutions set out in this Notice of AGM will be put to vote by way of poll pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad.
8. By submitting the duly executed Proxy Form, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for this Meeting and any adjournment thereof.

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AFFIX
STAMP

The Poll Administrator

SIN HENG CHAN (MALAYA) BERHAD
REGISTRATION NO. 196201000185 (4690-V)
C/O MEGA CORPORATE SERVICES SDN. BHD.

Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Wilayah Persekutuan



SIN HENG CHAN (MALAYA) BERHAD

Registration No. 196201000185 (4690-V)
(Incorporated in Malaysia)

TO : Sin Heng Chan (Malaya) Berhad
Level 3, Wisma E&C,
No. 2, Lorong Dungun Kiri,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan.

Contact Person : Ms. Shahira/Ms. Shew

Email : cosec@shcm.com.my

Tel No. : 60 (3) 2094 7992

Fax No. : 60 (3) 2094 7996

Please send me a copy of the following report(s) of Sin Heng Chan (Malaya) Berhad which is/are ticked on the relevant box(es) below:

☐

Annual Report 2025

☐

Circular To Shareholders In Relation To Proposed Renewal of Existing Shareholders' Mandate For Recurrent Related Party Transactions of A Revenue or Trading Nature

Particulars of Shareholder

Name of Shareholder : _____

Mailing Address : _____

NRIC/Passport/Registration No. : _____

CDS Account No. : _____

Email Address : _____

Contact No. : _____

Signature

Date :

Note:

We shall forward a printed copy of the Annual Report 2025 and/or Circular to Shareholders on RRPT as soon as reasonably practicable upon receipt of your written request.

Fold This Flap For Sealing

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Sin Heng Chan (Malaya) Berhad

Level 3, Wisma E&C,
No. 2, Lorong Dungun Kiri,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan.

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www.shcm.com.my



SIN HENG CHAN (MALAYA) BERHAD

(Reg. No. 196201000185 (4690-V))
(Incorporated in Malaysia)

Level 3, Wisma E & C,
No. 2, Lorong Dungun Kiri,
Damansara Heights
50490 Kuala Lumpur,
Malaysia
Tel : 603 - 2094 7992
Fax : 603 - 2094 7996