

[Registration No. 198001010791 (64577-K)] (Incorporated in Malaysia)



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# CORPORATE INFORMATION



# **BOARD OF DIRECTORS**

# Tan Sri Datuk Seri Panglima Sulong Matjeraie

Non-Executive Chairman Independent Non-Executive Director

# Dato' Sri Dr. Low Kok Thye

Managing Director Non-Independent Executive Director

# **Datuk Wira Lim Kim Long**

Executive Director
Non-Independent Executive Director

# **Chung Kin Mun**

Non-Independent Non-Executive Director

# **Stephen Wan Yeng Leong**

Independent Non-Executive Director

# **Deborah Debbie Choa**

Independent Non-Executive Director

### **AUDIT COMMITTEE**

Chairman
Stephen Wan Yeng Leong

Members
Chung Kin Mun
Deborah Debbie Choa

# NOMINATION & REMUNERATION COMMITTEE

Chairman
Chung Kin Mun

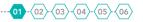
Members Tan Sri Datuk Seri Panglima

Sulong Matjeraie Stephen Wan Yeng Leong

# **SENIOR MANAGEMENT TEAM**

- Dato' Sri Dr. Low Kok Thye

  Managing Director
- Datuk Wira Lim Kim Long
  Executive Director
- Cheong Kee Yoong
  Chief Financial Officer
- Alex Chan Choon Hoong
  Chief Strategic Development
  Officer
- Jennifer Low Swee Yim
   Strategic Integration Director
- Edward Lai Fu Khate
   Special Technology Affairs
   Director
- Thevakumar Kaliaperumal
  General Manager Operations
  Milling & Cultivation
- Herry Mukiat
   General Manager Development
   Milling & Cultivation
- Tiong Chuu Ling
  Chief Operating Officer
  Oleochemical Manufacturing
- Khoo Chin Tee
  General Manager
  Oleochemical Manufacturing
- Tan Suet Guan
   Hospital Director
   Healthcare Services



# CORPORATE INFORMATION (CONT'D)

# **COMPANY SECRETARIES**

# Lim Kui Suang

SSM PC NO. 202008001175 MAICSA 0783327

# Ng Shu Ling

SSM PC NO. 201908001194 MAICSA 7068807

# **REGISTERED OFFICE**

9, Jalan Bayu Tinggi 2A/KS6 Taipan 2, Batu Unjur 41200 Klang Selangor Darul Ehsan, Malaysia

Tel : 03-3323 1916 Email : info@kcteh.com

# **HEAD OFFICE / PRINCIPAL PLACE OF BUSINESS**

Level 29, Centro Tower No. 8, Jalan Batu Tiga Lama 41300 Klang Selangor Darul Ehsan, Malaysia

Tel : 03-3258 3333 Fax : 03-3258 3300

Website: www.southernacids.com

# **SHARE REGISTRARS**

# Boardroom Share Registrars Sdn. Bhd.

Reg.number: 199601006647 (378993-D)

11th Floor, Menara Symphony

No. 5 Jalan Prof Khoo Kay Kim, Seksyen 13,

46200 Petaling Jaya,

Selangor Darul Ehsan, Malaysia

Helpdesk : 03-7890 4700 Fax : 03-7890 4670

Email : bsr.helpdesk@boardroomlimited.com

# STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad : Main Market

Stock Name : SAB
Stock Code : 5134

### **LEGAL STATUS**

Public listed company limited by shares

### **AUDITORS**

# Deloitte PLT (LLP0010145-LCA)

Chartered Accountants (AF 0080) Level 16, Menara LGB 1 Jalan Wan Kadir Taman Tun Dr. Ismail 60000 Kuala Lumpur Malaysia

# PRINCIPAL BANKERS

CIMB Bank Berhad Citibank Berhad OCBC Bank (Malaysia) Berhad

# **COUNTRY OF INCORPORATION AND DOMICILE**

Malaysia

# SHUNDING SHU





# FINANCIAL HIGHLIGHTS

FINANCIAL YEAR	2021	2022	2023	2024	2025
Financial Performance (RM'000)					
Revenue	741,103	1,176,249	1,099,875	907,963	1,090,530
Profit before tax	60,345	149,855	74,909	43,166	72,263
Profit for the financial year	47,783	118,120	53,974	24,540	50,961
Financial Position (RM'000)					
Total assets	810,778	968,484	972,739	1,018,943	1,007,905
Total liabilities	101,429	145,134	102,130	140,245	124,990
Net current assets	359,164	477,717	514,145	510,043	515,880
Shareholders' equity	637,662	727,470	754,927	779,570	779,743
Share capital	171,255	171,255	171,255	171,255	171,255
Number of ordinary shares ('000)	136,934	136,934	136,934	136,934	136,934
Financial Ratio					
Earnings per share (sen)	27.28	68.95	24.31	9.96	26.80
Net dividends per share (sen)	5.00	5.00	5.00	5.00	5.00
Net assets per share attributable to shareholders of the Company (RM)	4.66	5.31	5.51	5.69	5.69

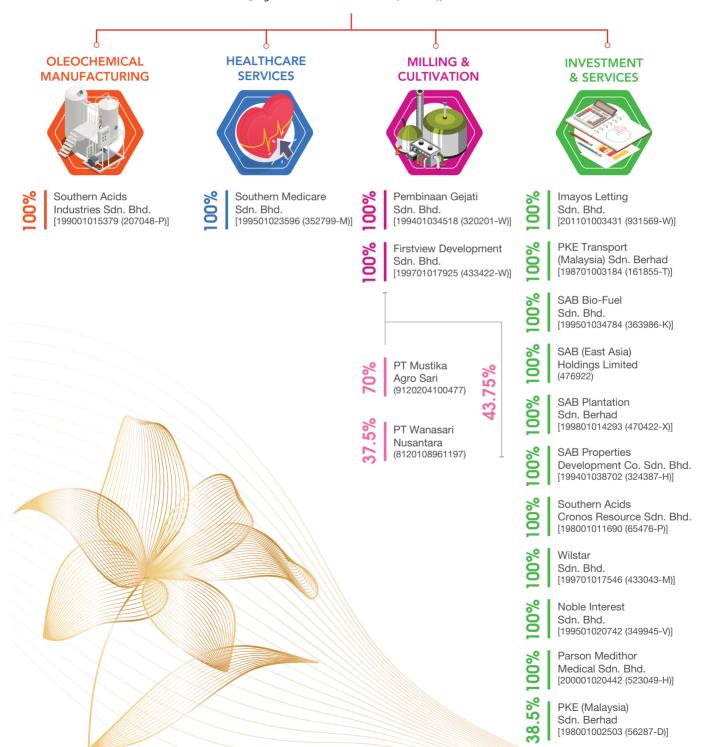
# CORPORATE STRUCTURE

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# Southern Acids (M) Berhad

[Registration No. 198001010791 (64577-K)]





Milling & Cultivation



Oleochemical Manufacturing



Healthcare Sorvices

# MANAGEMENT DISCUSSION AND ANALYSIS



# MANAGEMENT DISCUSSION AND ANALYSIS

# Dear Valued Shareholders,

On behalf of the Board of Directors ('the Board") of Southern Acids (M) Berhad ("SAB" or "the Company"), it is my pleasure to present the Management Discussion and Analysis ("MD&A") of SAB and its subsidiaries for the financial year ended 31 March 2025 ("FY2025").



# **BACKGROUND**

SAB was founded in 1980 and commenced manufacturing of oleochemical products. The Company subsequently undertook a vertical integration exercise by venturing into the upstream oil palm segment. This strategic move was to capitalise on palm oil as an alternative feedstock to the oleochemical industry which was then still largely based on tallow and coconut oil.

SAB and its subsidiaries' activities have expanded and currently encompasses Oleochemical Manufacturing, Milling & Cultivation and Healthcare Services. SAB and its subsidiaries operate two palm oil mills on a total 7,236.7 hectares ("Ha") cultivated land located in Riau, Indonesia, one Oleochemicals facility, and a private hospital in Klang, Selangor. SAB and its subsidiaries currently employ 1,683 staff members throughout Malaysia and Indonesia.

# **ECONOMIC REVIEW**

In 2024, Malaysia's economy delivered a robust full-year growth of 5.1%, up from 3.6% in 2023, despite ongoing challenges from the global macroeconomic environment (source: Bank Negara Malaysia ("BNM"), May 2025). This expansion was underpinned by several key drivers: resilient household spending, supported by rising incomes and an improving labour market; strong investment activity across both private and public sectors, particularly in infrastructure and manufacturing; a revival in tourism; and a recovery in export-oriented sectors - especially in electrical & electronic products ("E&E") exports, which benefited from the global technology upcycle. Headline inflation moderated to an average of 1.8% in 2024 (2023: 2.5%), reflecting easing global cost pressures and the absence of significant domestic demand-driven inflation. Unemployment rate declined further to 3.2% amidst continued employment growth.

In the first quarter of 2025, Gross Domestic Product ("GDP") expanded by 4.4% year on year, higher than 4.2% recorded in the first quarter of 2024, though moderating slightly from 4.9% in fourth quarter of 2024 (Source: BNM, May 2025). Growth was supported by resilient household spending; steady expansion in investment activity; continued export growth - driven notably by strong E&E exports; and sustained tourism activities. Headline inflation eased further to 1.5%, reflecting stable cost conditions. The labour market continued to improve, whilst unemployment rate declined further to 3.1% in first quarter of 2025 (4Q 2024: 3.2%).

Despite the encouraging start to the year, the outlook remains cautious amid external headwinds - including a potential global economic slowdown, and ongoing geopolitical uncertainties.

# MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

### **FY2025 FINANCIAL REVIEW**

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### SAB FIVE YEAR FINANCIAL HIGHLIGHTS

	FY2021 RM'000	FY2022 RM'000	FY2023 RM'000	FY2024 RM'000	FY2025 RM'000
Revenue	741,103	1,176,249	1,099,875	907,963	1,090,530
Profit before tax & interest	60,816	150,657	75,838	43,974	74,208
Finance costs	471	802	929	808	1,945
Profit for the financial year	47,783	118,120	53,974	24,540	50,961
Shareholders' equity	637,662	727,470	754,927	779,570	779,743
Total assets	810,778	968,484	972,739	1,018,943	1,007,905
Borrowings	5,093	22,233	2,936	21,674	16,739
Earnings per share (sen)	27.28	68.95	24.31	9.96	26.80
Net assets per share (RM)	4.66	5.31	5.51	5.69	5.69
Net dividends per share (sen)	5.00	5.00	5.00	5.00	5.00

During the financial year under review, SAB and its subsidiaries reported revenue of RM1.1 billion, growing 20.1% compared to RM908.0 million reported in the financial year ended 31 March 2024 ("FY2024"). Profit before tax ("PBT") increased 67.4% to RM72.3 million from RM43.2 million achieved in the preceding financial year. Our revenue outperformance was primarily driven by higher revenue contributions across our three core business segments during the year.

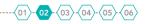
Oleochemical Manufacturing and Milling & Cultivation contributed approximately 86.7% of total Group revenue in FY2025, compared to 84.7% reported in FY2024. The performance of these two segments was largely driven by higher average selling prices ("ASP") of our commodity products such as glycerine, fatty acids, crude palm oil ("CPO") and palm kernel ("PK"). Consequently, Group's PBT rose 67.4% to RM72.3 million from RM43.2 million achieved in FY2024, mainly attributed to a higher PBT contribution from Milling and Cultivation.

The Company has continued to prioritise the enhancement of its facilities in FY2025, with total capital expenditure amounting to RM40.5 million, up from RM34.4 million in FY2024.

The Milling & Cultivation accounted for RM25.3 million in capital expenditure. Of this amount, RM8.7 million was allocated for bearer plants while the remaining amount was invested in plant, machinery and equipment, electrical installations, land improvements, as well as the construction of a new building, palm oil mill, and a combined staff quarters-cum-office facility.

Capex in the Healthcare Services totalled RM8.1 million. More than half of this was directed towards the purchase of office equipment, furniture, and fittings, while RM1.8 million was allocated for medical equipment. Notably, approximately RM450,000 was invested in a premium ultrasound system for the Radiology Department, further strengthening our diagnostic and imaging capabilities.

The Oleochemical Manufacturing utilised approximately RM4.7 million, primarily for the acquisition of plant and machinery as well as electrical installations to support ongoing operational enhancements and process improvements.



# MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

# SAB SHARE PRICE PERFORMANCE



		FY2024	FY2025
1	High	RM 3.65	RM 3.71
2	Low	RM 3.13	RM 2.88
3	Close	RM 3.22	RM 3.05
4	Average Daily Trading volume (shares)	11,797	13,356
5	Market capitalisation At Year End (million)	RM 440.93	RM 417.65
6	Earnings Per Share (sen)	10.17	26.80
7	Price Earnings Ratio (times)	31.7	11.4

# MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

# **Oleochemical Manufacturing**

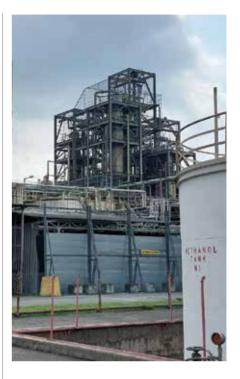
Oleochemical Manufacturing is involved in the manufacturing and marketing of fatty acids and glycerine with a production mix ratio of approximately 90:10 between fatty acids and glycerine.

The manufacturing plant is located in Kapar, Klang and was commissioned in the 1980s. It has an annual manufacturing capacity of approximately 96,000 metric tonnes ("MT"). This plant has been awarded with the following accreditations and certifications: -

- International Organisation for Standardization ("ISO") 22000 Food Safety Management Systems;
- ISO 9001 Quality Management Systems;
- GMP ("Good Manufacturing Practice");
- HACCP ("Hazard Analysis Critical Control Point");
- RSPO ("Roundtable on Sustainable Palm Oil");
- MSPO ("Malaysian Sustainable Palm Oil");
- Kosher (Products); and
- Halal (Manufacturing).

This segment's product offerings are used in diverse end-use applications including personal care, cleaning agents and food products. Approximately 68.9% of segment revenue is derived from exports whilst the balance is from domestic sales. The current plant has been in operation for more than thirty (30) years.

Oleochemical Manufacturing	FY2025	FY2024	Changes
Financial Highlights			
Revenue (RM'000)	405,352	356,142	13.8%
Loss Before Tax (RM'000)	(23,982)	(32,645)	26.5%
Core Loss Before Tax (RM'000)	(26,500)	(37,576)	29.5%
Non-Financial Highlights			
Production Capacity (MT)	96,000	96,000	0.0%
Production (MT)	71,760	72,929	-1.6%
Production Utilisation (%)	74.8%	76.0%	-1.6%
Quantity Sold (MT)	72,655	72,388	0.4%
Overseas Sales Quantity (MT)	48,309	56,151	-14.0%
Overseas Sales Quantity (%)	66.5%	77.6%	-14.3%
Overseas Sales (RM'000)	279,368	279,638	-0.1%
Overseas Sales Revenue (%)	68.9%	78.5%	-12.2%



In FY2025, revenue in our Oleochemical Manufacturing improved 13.8% to RM405.4 million from RM356.1 million recorded in FY2024. ASP for fatty acids rose 14.8% whilst ASP for glycerine increased by 7.0%. Overall sales volume during the financial year increased marginally to 72,655 MT from 72,388 MT reported a year ago. Production volume declined marginally by 1.6% to 71,760 MT, in line with decrease in production utilisation to 74.8% from 76.0% reported in the preceding financial year.

Our Oleochemical Manufacturing reported loss before tax ("LBT") of RM24.0 million, as compared to LBT of RM32.6 million recorded in FY2024. The financial results comprised core LBT of RM26.5 million and non-core PBT of RM2.5 million. The non-core PBT was mainly derived from unrealised gain on forward currency contracts as well as interest income.



# MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

# Milling & Cultivation

Milling & Cultivation is principally engaged in the processing of fresh fruit bunches ("FFB") into CPO and PK as well as oil palm cultivation.

Milling & Cultivation operates two palm oil mills ("POM") located in Riau, Indonesia with a combined milling capacity of 100 MT per hour. The first POM was commissioned in June 2002 followed by the second POM that was commissioned in August 2015.

Milling & Cultivation	FY2025	FY2024	Changes
Financial Highlights			
Revenue (RM'000)	540,249	413,259	30.7%
Profit Before Tax (RM'000)	67,704	48,927	38.4%
Core Profit Before Tax (RM'000)	38,780	16,428	136.1%
Non-Financial Highlights			
FFB Processed (MT)	601,204	548,640	9.6%
CPO Production (MT)	121,686	110,592	10.0%
PK Production (MT)	30,196	29,123	3.7%
FFB Production (MT)	85,605	91,945	-6.9%
Average CPO Selling Price Per MT	3,801	3,294	15.4%
Average PK Selling Price Per MT	2,637	1,601	64.7%

The POMs together produced a total of 121,686 MT of CPO in FY2025, improved by 10.0% compared to 110,592 MT of CPO production in FY2024. Total FFB processed in FY2025 was 9.6% higher at 601,204 MT as compared to 548,640 MT FFB processed in FY2024.

The FFB required by our POMs are supplied by our internal estates as well as from third-party external estates. The FFB production from our 5,313 hectares ("Ha") of planted area in Riau yielded 85,605 MT in FY2025, providing approximately 14.2% of the POMs requirements. Out of the 5,313 Ha of planted area, 3,954 Ha are mature whilst the remaining 1,359 Ha are immature. The age profile of our palms is equally spread between young, prime and old and has a weighted average age of ten years old.

Both PT Mustika Agro Sari ("PTMAS") and PT Wanasari Nusantara ("PTWan") estates in Riau are Indonesian Sustainable Palm Oil ("ISPO") compliant, having been awarded the certification since November 2017 and August 2019, respectively.

Our Milling & Cultivation's long-term strategy is to increase production efficiency which will in-turn positively affect our cost structure.





[Exterior view of Mustari Mill and CPO storage tank located in Riau, Indonesia]

# MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

# Milling & Cultivation (cont'd)

FY2025 revenue in our Milling & Cultivation increased 30.7% to RM540.2 million from RM413.4 million reported in the preceding financial year. ASP of CPO was 15.4% higher at RM3,801 per MT, whilst ASP of PK surged 64.7% to RM2,637 per MT. Production volume of CPO and PK increased 10.0% and 3.7% to 121,686 MT and 30,196 MT respectively. The segment benefited from higher commodity prices and an increase in sales volume.



Source: Average Monthly Malaysia Prices of Crude Palm Oil from MPOB website

Consequently, segment PBT rose 38.4% to RM67.7 million from RM48.9 million recorded in FY2024. Core PBT for the financial year amounted to RM38.8 million whilst non-core PBT stood at RM28.9 million. The non-core PBT was mainly derived from sales proceeds from disposal of PK shells and interest income.

# **Healthcare Services**

Healthcare Services is driven by our Sri Kota Specialist Medical Centre ("Sri Kota"), an award winning 232-bedded private tertiary hospital located in Klang, Selangor. Sri Kota was commissioned in September 1999 and has maintained the status of Klang's leading private tertiary hospital over the past two decades.

Over the years, Sri Kota has garnered numerous recognitions and accreditations in acknowledgement of our dedication to clinical excellence and service quality. In March 2025, we were honoured at the Sin Chew Business Excellence Awards 2024, receiving both the *Business Service Excellence Award and the Digital & Technology Excellence Award*.







[WSO Angles Award (Diamond)]





[Sin Chew Business Excellence Award 2024]

# MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

# **Healthcare Services (cont'd)**

In August 2024, we were certified under the Baby-Friendly Hospital Initiative 2024 by the World Health Organisation ("WHO") and UNICEF, reflecting our commitment to promoting, protecting and supporting breastfeeding practices within our maternity services.

Further reinforcing our dedication to continuous quality improvement in stroke care, the Group was once again awarded with the World Stroke Organisation ("WSO") Angels Award – Diamond Status in May 2024.

Sri Kota is also a Malaysian Society for Quality in Health ("MSQH") accredited hospital since year 2011. These past and recent awards are endorsements of Sri Kota's thriving success over its twenty-five (25) years in operations.

Sri Kota currently has forty-five (45) resident consultants and fifty-one (51) visiting consultants specialising in various disciplines. The following major specialities and sub-specialities are available at our hospital:-

- 1. Cardiology
- 2. E.N.T / Head and Neck Surgery
- 3. Hand and Microsurgery
- 4. Nephrology
- 5. Neurology
- 6. Orthopaedic Surgery
- 7. Obstetrics and Gynaecology
- 8. Radiotherapy and Oncology

At Sri Kota, delivering high quality healthcare services to our patients remains our highest priority.

Our Healthcare Services' long-term strategy is to strategically expand our core disciplines whilst delivering healthcare services with a holistic approach to patient care.

Healthcare Services	FY2025	FY2024	Changes
Financial Highlights			
Revenue (RM'000)	122,539	117,959	3.9%
Profit Before Tax (RM'000)	33,843	35,731	-5.3%
Core Profit Before Tax (RM'000)	30,093	32,361	-7.0%
Non-Financial Highlights			
Number Of Patient			
- Outpatient	72,645	72,586	0.1%
- Inpatient	11,747	11,610	1.2%
Number Of Resident Consultants	45	40	12.5%
Number Of Visiting Consultants	51	52	-1.9%

In FY2025, revenue in our Healthcare Services improved 3.9% to RM122.5 million from RM118.0 million achieved in the preceding financial year.

Despite revenue growth, segment PBT declined by 5.3% to RM33.8 million, compared to RM35.7 million achieved in the preceding financial year. This comprised core PBT of RM30.1 million and non-core PBT of RM3.7 million. The non-core PBT was mainly derived from interest income and rental income.

# MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

### **KEY RISKS AND MITIGATION**

SAB and its subsidiaries employ a proactive approach to risk identification and management for all the business segments.

# **Oleochemical Manufacturing**

Competitive risks in the Oleochemical Manufacturing stem from intense market rivalry, foreign exchange volatility, and shifting global trade policies. These mitigation efforts are complemented by a strategy of fostering long-term customer partnerships and delivering customisable, value-added solutions that enhance customer retention and market resilience.

# Milling & Cultivation

Milling & Cultivation remains a net buyer of FFB, with internal estates currently supplying only approximately 14.2% of the milling volume required. Given CPO prices are influenced by global supply-demand dynamics, the segment continues to prioritise milling cost efficiency to preserve margins. To strengthen feedstock security and reduce reliance on external purchases, the Group is actively exploring the expansion of planted areas, particularly in Riau province. This includes strategic plans to grow our land bank, attract more smallholders, and establish long-term crop supply agreements.

# **Healthcare Services**

Operating in a competitive private healthcare sector, our Healthcare Services faces a range of challenges, including intense industry rivalry, operational risks, and the potential for professional misconduct. While these risks cannot be entirely eliminated, they are actively mitigated through stringent internal controls and continuous enhancement of clinical standards to uphold professional excellence. We are adopting a comprehensive risk management approach encompassing workforce development through academic partnerships, preferred insurer collaborations to maintain referral volumes, strategic cost optimisation to ensure financial sustainability, crisis preparedness and digital integration to mitigate cybersecurity risks and operational disruptions. These collective efforts enhance patient confidence, build brand trust, and position the Group for long-term, sustainable growth.

### **OUTLOOK AND PROSPECTS**

### **Oleochemical Manufacturing**

The global oleochemical market remains highly competitive and fragmented, with persistent pressure on margins arising from volatile commodity prices, rising production costs, and increasing regulatory scrutiny. The outlook for Oleochemical Manufacturing continues to be shaped by structural market dynamics and external uncertainties, including geopolitical tensions and global economic conditions. Notably, the potential imposition of reciprocal tariffs by the United States poses a risk to exports, though Malaysia's exposure remains lower compared to regional peers. In response, we are proactively redirecting exports to tariff-free markets and increasing domestic sales to reduce dependence on high-risk geographies.

We remain focused on enhancing operational efficiency and diversifying into higher-margin markets, particularly in the European Union. As a palm-based fatty acid producer certified by RSPO and MSPO, we are well-positioned to meet the growing global demand for green and sustainable fatty acids. Our ability to align with evolving sustainability requirements provides a competitive edge and strengthens long-term customer confidence.

Despite the challenging environment, we remain cautiously optimistic. Our focus on product customisation, disciplined cost management, and compliance with sustainability standards reinforces our competitiveness in niche and value-added segments. These strategies support customer retention, drive new growth opportunities, and preserve value amid external pressures.

# Milling & Cultivation

We maintain a cautious outlook on the Milling & Cultivation segment. Although average selling prices for CPO improved over the past year, price volatility remains a key concern. CPO prices have declined from a high of RM4,800 per MT in early 2025 to below RM3,800 per MT, reaching as low as RM3,779 in early May 2025 (source: Malaysia Palm Oil Board), driven largely by higher inventory levels following increased production.

Near-term market conditions are expected to be shaped by various factors, including weather patterns, global edible oil supply trends, evolving demand from key importing countries, and the implementation of Indonesia's biodiesel mandate. Heightened market uncertainty arising from recent tariff measures and war may also influence trade flows and pricing dynamics. Additionally, seasonal production cycles and competition from other edible oils, such as soybean, sunflower, and rapeseed, could exert further pressure on prices and volumes.

# MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

# Milling & Cultivation (cont'd)

In response, we remain focused on enhancing operational efficiency and improving yields to manage volatility and safeguard margins. This includes reducing production costs, optimising the milling process, and adopting sustainable practices across our operations. Efforts are also underway to modernise our mills through the deployment of more efficient milling technologies to reduce losses and improve oil extraction rates.

### **Healthcare Services**

Our Healthcare Services continues to deliver stable performance in a dynamic landscape, supported by rising health awareness and a growing middle-income population. At the forefront of this effort, the segment is poised for transformational growth through the integration of digital tools, expansion of specialised medical units, and deeper collaboration with insurers, vendors, and public agencies.

Looking ahead to the financial year ending 31 March 2026 ("FY2026"), the Group plans to establish a Fertility Unit at Sri Kota, marking a strategic entry into a new service segment. This initiative will make Sri Kota the first hospital in Klang to offer dedicated fertility services, further expanding our care offerings and reinforcing our commitment to meeting the evolving needs of the community.



We remain focused on enhancing patient experience, strengthening our clinical capabilities in high-demand areas such as cancer, fertility, and cardiac care, and investing in medical infrastructure and talent. In parallel, we are deepening our commitment to community engagement and public health advocacy through outreach programmes, preventive care initiatives, and health education.

Sustainability is also embedded in our strategy, including green hospital operations, responsible waste management, and Corporate Social Responsibility ("CSR")-led efforts to deliver affordable, accessible care. We remain steadfast in our commitment to addressing industry challenges, guided by our mission to provide high-quality, patient-centred care and to strengthen long-term resilience and value creation.

# FY2026 Budgeted Capital Expenditure

For FY2026, SAB and its subsidiaries have budgeted approximately RM47.5 million for our capex requirements. RM19.2 million will be allocated to Milling & Cultivation, RM20.3 million to Healthcare Services, and RM8.0 million under Investment and Services.

Capex allocation for Milling & Cultivation includes general upgrades to two POMs and estate infrastructure, estates replanting, enhancements to workers' quarters, and the purchase of office equipment, plant machinery, and heavy-duty vehicles. Notably, RM5.5 million has been budgeted to expand our planted area in Riau, Indonesia. This forms part of the bigger capex commitment of approximately RM85 million over a four-year period starting 2024, targeting the development of an additional 2,200 hectares.





[Land Clearing Activities at Pasirmas Estate for Replanting]

Capex for our Healthcare Services entails the purchase of new hospital and ward equipment, upgrading of hospital systems, computer software and hardware, office equipment, furniture and fittings, maintenance and security equipment as well as hospital renovation works. Capex for Investment and Services comprises of lift refurbishment, upgrades of fire safety, lift control, hot water, power backup, and waterproofing systems, replacement of air handling units, and purchase of 3rd generator set.





[Upgrading and renovation at the Medical Record and Pharmacy on Level 3, Sri Kota Specialist Medical Centre]

# MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

### **GENERAL OUTLOOK**

According to the World Economic Outlook published by the International Monetary Fund in April 2025, the global economic growth is projected to grow by 3.3% in 2024, before moderating to 2.8% in 2025 and 3.0% in 2026. While a soft landing remains a baseline scenario, the global outlook continues to be shaped by elevated interest rates, persistent inflationary pressures, and ongoing geopolitical tensions that could heighten commodity price volatility and disrupt trade flows. The swift escalation of trade tensions and extremely high levels of policy uncertainty are expected to have a significant impact on global economic activity.

The Malaysian economy is projected to grow between 4.5% to 5.5% in 2025, underpinned by resilient domestic demand. (Source: BNM, May 2025). Household spending is expected to remain robust, supported by steady labour market recovery, ongoing wage growth, and targeted government subsidies aimed at easing cost-of-living pressures. This growth will be driven by sustained domestic demand, despite heighten external uncertainties that potentially lead to a moderation in export volume.

While Malaysia's economy is expected to remain on a positive growth trajectory in 2025, several key downside risks could undermine this momentum. These include a more subdued global economic environment, driven by escalating geopolitical tensions, the imposition of trade restrictions, and the resulting volatility in global supply chains. On the currency front, the Ringgit has shown signs of strengthening, supported by improved investor sentiment and stable domestic fundamentals. This may help mitigate imported inflationary pressures and ease cost conditions for businesses reliant on foreign inputs.

Looking ahead, we are cautiously optimistic about the country's medium-term prospects. However, we remain vigilant of external headwinds that could impact business sentiment and operational performance. In response, we will continue to prioritise operational efficiency, cost discipline, and the maintenance of a strong balance sheet to safeguard the Group's resilience and ensure sustainable growth amid a challenging global landscape.

# **DIVIDENDS**

With respect to our FY2024, the Board proposed a single-tier final dividend of 5 sen per ordinary share on 30 May 2024. This was duly tabled and approved at our 43<sup>rd</sup> Annual General Meeting ("AGM") held on 26 August 2024. The dividend was subsequently paid to shareholders on 11 November 2024.

With respect to our FY2025, the Board proposed to continue with a single-tier final dividend of 5 sen per ordinary share on 29 May 2025. The proposal will be tabled for shareholders' approval during our forthcoming 44th AGM.

SAB has upheld a consistent dividend track record over the years, reflecting our commitment to delivering stable value to shareholders.

While we remain focused on rewarding our shareholders through regular dividend payouts, our broader objective is to ensure the long-term, sustainable growth of the Company. By strengthening our fundamentals and pursuing strategic growth initiatives, we aim to create lasting value that ultimately benefits all stakeholders.

# **APPRECIATION**

The Board wishes to convey its deep appreciation to our dedicated management team and employees whose hard work and commitment have been vital to our progress this year. We also extend our heartfelt thanks to our shareholders and stakeholders for their steadfast support and confidence in our vision. Your collective contributions are sincerely valued and form the foundation of our continued success.

Dato' Sri Dr. Nick Low Managing Director

# PROFILE OF DIRECTORS



# TAN SRI DATUK SERI PANGLIMA SULONG **MATJERAIE**

Independent Non-Executive Chairman Member of the Nomination & Remuneration Committee



Aged 78



Male



Malaysian

Tan Sri Datuk Seri Panglima Sulong Matieraie ("Tan Sri Sulong") was appointed to the Board on 6 August 2014 and subsequently appointed as Independent Non-Executive Chairman on 15 July 2015. He currently serves as a member of the Nomination & Remuneration Committee.

In addition to his role at SAB, Tan Sri Sulong also serves as the Independent Non-Executive Chairman of WTK Holdings Berhad. He is the Chairman of Universiti Malaysia Sarawak ("UNIMAS") and the Chairman of the Board of Guardians of the Sarawak Sovereign Wealth Future Fund.

Tan Sri Sulong, who has more than thirty (30) years of legal and judicial experience, was a Federal Court Judge before his retirement in 2013.

He was one of the four eminent persons appointed by the Prime Minister of Malaysia to serve on the Judicial Appointments Commission for two terms. His first term began on 10 February 2013 to 9 February 2015 and his second term was from 10 February 2016 to 9 February 2017.

Tan Sri Sulong is a Bencher of the prestigious Honorable Society of Inner Temple, London. His academic and professional qualifications are as follows:

- 1970: Obtained a Bachelor of Arts (Honours) degree from University of Malava:
- 1971: Studied law at the Inns of Court School of Law.
- 1974: Called to the Bar of England and Wales by the Honorable Society of Inner Temple, London and admitted as an Advocate to the High Court of Borneo in Kuchina:
- 1975: Further studied at the University of Southampton, England;
- 1977: Awarded a Master of Law Degree in Mercantile Law by the University of Southampton, England;
- 1978: Received a Certificate in Advanced Management Programme from the Banff School of Advanced Management, Canada;
- 2001: Attended the 19th International Symposium on Economic Crime at Jesus College, University of Cambridge.

Tan Sri Sulong no family relationship with any director and/ or major shareholder of SAB, nor any conflict of interest with the Company.

Tan Sri Sulong has not been convicted of any offence within the past five years, other than traffic offences, if any.

Tan Sri Sulong attended all five Board meetings held in FY2025.

# PROFILE OF DIRECTORS (CONT'D)

Dato' Sri Dr. Low Kok Thye ("Dato' Sri Dr. Nick Low") was appointed to the Board on 15 July 2015.

He holds a Diploma in Medical Sciences from International Medical University, an MBA from Open University Malaysia and a Bachelor of Medicine & Bachelor of Surgery from The University of Auckland, New Zealand.

From 2012 to 2015, Dato' Sri Dr. Nick Low was involved in the strategic management of an oil palm plantation development project located in Kalimantan Timur, Indonesia. He currently serves as a director of SAB's oleochemical manufacturing and tertiary healthcare hospital operating subsidiaries. He is also a board member of SAB's Indonesian-incorporated subsidiaries involved in estate management and palm oil milling. Additionally, he is a director of Kumpulan Klinik Medijaya Sdn. Bhd., with its chain of owned and managed primary healthcare (general practice) clinics.

Dato' Sri Dr. Nick Low has no family relationship with any director and/or major shareholder of SAB. SAB and its subsidiaries have entered into recurrent related party transactions with parties in which he has direct and/or indirect interests as disclosed in the notes to the Financial Statements section of AR 2025.

Dato' Sri Dr. Nick Low has not been convicted of any offence within the past five years, other than traffic offences, if any.

Dato' Sri Dr. Nick Low attended all five Board meetings held in FY2025.



# DATO' SRI DR. LOW KOK THYE

Managing Director Non-Independent Executive Director



Aged 46



Male



Malaysian



# PROFILE OF DIRECTORS (CONT'D)



DATUK WIRA LIM KIM LONG **Executive Director** 

Non-Independent Executive Director

Aged 65



Male



Malaysian

Datuk Wira Lim Kim Long ("Datuk Wira Lim") was appointed to the Board on 10 August 2005 and was redesignated as an Executive Director on 28 August 2008.

He pursued his pre-university education at Kolej Tunku Abdul Rahman, Kuala Lumpur. Datuk Wira Lim is actively involved in the corporate affairs and general management of SAB and its subsidiaries, especially in the area of oil palm plantation and employee relations.

Datuk Wira has no family relationship with any director and/or major shareholder of SAB. SAB and its subsidiaries have entered into recurrent related party transactions with parties in which he has direct and/or indirect interests as disclosed in the notes to the Financial Statements section of AR 2025.

Datuk Wira Lim has not been convicted of any offence within the past five years, other than traffic offences, if any.

Datuk Wira Lim attended all five Board meetings held in FY2025.

# PROFILE OF DIRECTORS (CONT'D)

Mr. Chung Kin Mun ("Mr. Chung KM") was appointed to the Board on 20 March 2012 and subsequently appointed as the Senior Independent Non-Executive Director on 25 July 2013. He held this position until his re-designation as a Non-Independent Non-Executive Director on 20 March 2024.

He currently served as the Chairman of the Nomination & Remuneration Committee and is also a member of the Audit Committee.

He holds a Bachelor of Business (Accounting) from the Phillip Institute of Technology, Australia and is a fellow member of Certified Practising Account ("CPA") Australia. He has over twenty (20) years of experience in merchant banking, corporate finance, accounting and general management. Prior to the appointment to the Board, Mr. Chung KM was the Group Chief Financial Officer of Zelan Berhad.

Mr. Chung KM has no family relationship with any director and/or major shareholder of SAB, nor any conflict of interest with the Company.

Mr. Chung KM has not been convicted of any offence within the past five years, other than traffic offences, if any.

Mr. Chung KM attended all five Board meetings held in FY2025.



# **CHUNG KIN MUN**

Non-Independent Non-Executive Director Chairman of the Nomination & Remuneration Committee Member of the Audit Committee



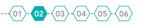
Aged 58



Male



Malaysian



# PROFILE OF DIRECTORS (CONT'D)



# STEPHEN WAN YENG LEONG

Independent Non-Executive Director Chairman of the Audit Committee Member of the Nomination & Remuneration Committee



Aged 58



Male



Malaysian

Mr. Stephen Wan Yeng Leong ("Mr. Stephen Wan") was appointed to the Board on 27 March 2023. He was appointed as a member of the Audit Committee on 26 May 2023, and subsequently appointed as the Chairman on 29 February 2024. He was also appointed as a member of the Nomination & Remuneration Committee on 26 May 2023. He currently also serves as an Independent Non-Executive Director of HCK Capital Group Berhad.

Mr. Stephen Wan is a member of the Malaysian Institute of Accountants ("MIA") and member of The Malaysian Institute of Certified Public Accountants ("MICPA") . He is an approved Company Auditor and is currently the Managing Partner of Moore Stephens Associates PLT, an independent member firm of Moore Global Network Limited. He has also been appointed by MIA as a member of the Capital Market Advisory Committee, which serves as a liaison between the MIA, regulators and key stakeholders on capital market related matters.

Mr. Stephen Wan has twenty-five (25) years of professional experience, including more than twenty (20) years with Big Four Accounting Firms. His expertise includes share and business valuation for takeovers, merger and restructuring exercises, initial public offerings and due diligence. He also has extensive experience in audit and assurance services for a range of industries, including listed companies, property development and construction, manufacturing, cement production, trading, publishing, industrial engineering, textile, hotel, investment holding, forwarding agencies, plantation and operational headquarters.

Mr. Stephen Wan has no family relationship with any director and/or major shareholder of SAB, nor any conflict of interest with the Company.

Mr. Stephen Wan has not been convicted of any offence within the past five years, other than traffic offences, if any.

Mr. Stephen Wan attended all five Board meetings held in FY2025.

# PROFILE OF DIRECTORS (CONT'D)

Madam Deborah Debbie Choa ("Madam Debbie Choa") was appointed to the Board on 30 August 2023 and subsequently joined the Audit Committee on 29 February

She holds a Bachelor of Laws (Hons) degree from the University of Leicester and was called to the Bar of England and Wales by the Honourable Society of Lincoln's Inn.

Madam Debbie Choa began her career in litigation, practising for three years before transitioning to the corporate sector, where she spent the next sixteen (16) years. As a partner in a leading boutique law firm, her practice encompassed a broad range of areas including equity and debt capital markets, mergers & acquisitions, debt restructuring, as well as general corporate and commercial law.

From 2015 until early 2022, she was part of the founding team of Projek57, an award-winning accredited social enterprise focused on nation-building, which aspires to influence youths from multicultural backgrounds and empower the underprivileged.

In April 2022, she rejoined legal practice as the Chief Operating Officer and is currently a partner at Adnan Sundra & Low, where she combines her legal expertise with management responsibilities. She focuses on exploring ways to enhance the firm's practice, including enhancing efficiency, strengthening overall capability and formulating business strategies.

Madam Debbie Choa has no family relationship with any director and/or major shareholder of SAB, nor any conflict of interest with the Company.

Madam Debbie Choa has not been convicted of any offence within the past five years, other than traffic offences, if any.

Madam Debbie Choa attended all five Board meetings held in FY2025.



# **DEBORAH DEBBIE CHOA** Independent Non-Executive Director Member of the Audit Committee



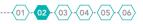
Aged 54



Female



Malaysian



# PROFILE OF

# SENIOR MANAGEMENT



# **CHEONG KEE YOONG**

Chief Financial Officer



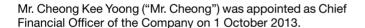
Aged 57



Male



Malaysian



He is a graduate of the Association of Chartered Certified Accountants (ACCA) UK and a member of MIA. He has more than thirty (30) years of working experience particularly in the full spectrum of financial management, corporate planning, treasury management, risk management, tax planning and investor relations activities across various industries. Throughout his career, he has primarily been attached to the corporate office of public listed companies.

He currently serves as an Independent Non-Executive Director of Eden Inc. Berhad.

Mr. Cheong has no family relationship with any director and/ or major shareholder of SAB, nor any conflict of interest with the Company.

Mr. Cheong has not been convicted of any offence within the past five years, other than traffic offences, if any.



# **ALEX CHAN CHOON HOONG**

Chief Strategic Development Officer

Aged 53



Male



Malaysian

Mr. Alex Chan Choon Hoong ("Mr. Alex Chan") joined Southern Acids Cronos Resource Sdn. Bhd., a subsidiary of SAB, on 15 December 2010.

He holds a Bachelor of Engineering (B.Eng.) degree in Mechanical Engineering from King's College, University of London. Mr. Alex Chan is currently responsible for the strategic development of oil palm and related businesses. In addition, he oversees the palm kernel expeller overhead conveyor loading services and management services operations.

Prior to joining the Group, Mr. Alex Chan was the head of the business development team at a company specializing in environmental packaging products.

Mr. Alex Chan has no family relationship with any director and/ or major shareholder of SAB, nor any conflict of interest with the Company.

Mr. Alex Chan has not been convicted of any offence within the past five years, other than traffic offences, if any.

# PROFILE OF SENIOR MANAGEMENT (CONT'D)



# JENNIFER LOW SWEE YIM

Strategic Integration Director



Aged 45



Female



Malaysian

Madam Jennifer Low Swee Yim ("Madam Jennifer Low") joined Southern Acids Cronos Resource Sdn. Bhd., a subsidiary of SAB, on 5 January 2009.

She holds a Bachelor's Degree in Information Technology (B.IT) from Charles Sturt University, Australia and a Master's Degree in Commerce (Majoring in Accounting and Information System) from University of Sydney, Australia.

Since January 2015, Madam Jennifer Low has been actively involved in supporting the strategic re-engineering of SAB and its subsidiaries' operating business management structures, specifically within the oil palm sector and related technical operational assets, with a focus on strategic integration.

In March 2019, Madam Jennifer Low was appointed as Integration Director of Southern Acids Industries Sdn. Bhd., and shortly after, she was promoted to Strategic Integration Director of SAB in March 2020.

Prior to joining the Group, Madam Jennifer Low was a Manager in Business Assurance with PricewaterhouseCoopers Australia, specialising in systems and process reviews for large multi-national companies globally.

Madam Jennifer Low has no family relationship with any director and/or major shareholder of SAB, nor any conflict of interest with the Company.

Madam Jennifer Low has not been convicted of any offence within the past five years, other than traffic offences, if any.



# **EDWARD LAI FU KHATE**

Special Technology Affairs Director



Aged 37



Male



Malaysian

Mr. Edward Lai Fu Khate ("Mr. Edward Lai") joined Southern Edible Oil Industries (M) Sdn. Bhd. ("SEOI"), a sister company of SAB, on 16 July 2014, and subsequently transferred to the Chief Executive Officer's office of SAB on 1 January 2022.

He holds a Master of Science in Chemical Engineering (MSc ChE) from National University of Singapore, Singapore.

Mr. Edward Lai has been involved in supporting the technical operations of palm oil refining and specialty fats making, as well as the commercial marketing and sales of palm oil products, during his employment period with SEOI.

Prior to joining SEOI, Mr. Edward Lai was a CZ Technology Engineer with Siltronic Samsung Wafer Pte. Ltd. Singapore, specialising in silicon crystal growing process technology to manufacture 300mm silicon wafers.

Mr. Edward Lai has no family relationship with any director and/or major shareholder of SAB, nor any conflict of interest with the Company.

Mr. Edward Lai has not been convicted of any offence within the past five years, other than traffic offences, if any.



# PROFILE OF SENIOR MANAGEMENT (CONT'D)



# THEVAKUMAR KALIAPERUMAL

General Manager Operations, Milling & Cultivation



Aged 55



Male



Malaysian

Mr. Thevakumar Kaliaperumal ("Mr. Kumar") joined SAB on 1 December 2013. He was promoted to Deputy General Manager on 1 October 2021 and subsequently to General Manager, Operations on 1 January 2023.

Mr. Kumar holds a Diploma in Mechanical Engineering from Bedford College, Kuala Lumpur. He currently oversees SAB's Milling & Cultivation operations, based in Riau, Indonesia.

He began his career in 1989 with an oil palm plantation and milling group, JC Chang Group Ltd. During his tenure there, he served as a Senior Assistant Manager in the milling division. In 2011, he joined Kurnia Setia Bhd in a similar capacity, managing milling operations, before moving to SAB.

With over 30 years of experience in the oil palm industry, Mr. Kumar has developed extensive expertise, particularly in milling management.

Mr. Kumar has no family relationship with any director and/or major shareholder of SAB, nor any conflict of interest with the Company.

Mr. Kumar has not been convicted of any offence within the past five years, other than traffic offences, if any.



# **HERRY MUKIAT**

General Manager Development, Milling & Cultivation



Aged 61



Male



Indonesian

Mr. Herry Mukiat ("Mr. Mukiat") was appointed as General Manager Development of SAB, on 1 January 2023. He previously served as a Commissioner for PTMAS and PTWan from 7 October 2010 to 14 September 2022. He was subsequently appointed as Director of both companies on 14 September 2022.

He holds a Bachelor of Business from the University of Incarnate Word, Texas, USA in 1988, and a Master of Business Administration degree from the University of Texas at San Antonio, USA.

Prior to joining SAB, Mr. Mukiat held senior roles within prominent Indonesian conglomerates including Raja Garuda Mas from 2004 to 2010, and served in multiple directorships positions at Barito Pacific across Indonesia. He has also spent seven years in corporate banking with Credit Lyonnais in both Indonesia and France, from 1991 to 1998.

Mr. Mukiat has no family relationship with any director and/or major shareholder of SAB, nor any conflict of interest with the Company.

Mr. Mukiat has not been convicted of any offence within the past five years, other than traffic offences, if any.

# PROFILE OF SENIOR MANAGEMENT (CONT'D)



# **TIONG CHUU LING**

Chief Operating Officer, Oleochemical Manufacturing



28

Aged 72



Male



Malaysian

Mr. Tiong Chuu Ling ("Mr. Tiong") joined Southern Acids Industries Sdn. Bhd., a subsidiary of SAB, on 1 July 1982. He was promoted to the Chief Operating Officer on 18 January 2011.

He holds a Bachelor of Science degree from University of Auckland. Mr. Tiong has extensive experience in the oleochemical industry. He currently oversees the operation of SAB's Oleochemical Manufacturing.

Mr. Tiong has no family relationship with any director and/or major shareholder of SAB, nor any conflict of interest with the Company.

Mr. Tiong has not been convicted of any offence within the past five years, other than traffic offences, if any.



# **KHOO CHIN TEE**

General Manager, Oleochemical Manufacturing



Aged 63



Male



Malaysian

Mr. Khoo Chin Tee ("Mr. Khoo") joined Southern Acids Industries Sdn. Bhd., a subsidiary of SAB on 8 January 1990. He was promoted to General Manager on 2 January 2023.

He holds a Bachelor of Science degree from Campbell University, USA. He has thirty-five (35) years of extensive experience in sales and marketing within the oleochemical industry. He is currently responsible for overseeing the sales and marketing operations of SAB's Oleochemical Manufacturing.

Mr. Khoo has no family relationship with any director and/or major shareholder of SAB, nor any conflict of interest with the Company.

Mr. Khoo has not been convicted of any offence within the past five years, other than traffic offences, if any.



# PROFILE OF SENIOR MANAGEMENT (CONT'D)



**TAN SUET GUAN**Hospital Director, Healthcare Services



Madam Tan Suet Guan ("Madam Tan") was appointed as Hospital Director of Southern Medicare Sdn. Bhd., a subsidiary of SAB, on 2 September 2014.

She holds a Diploma in Management from the University of Malaya and possesses over 40 years of experience in the healthcare sector. Her expertise spans accounting, information technology, and healthcare management. In her current role, Madam Tan oversees SAB's Healthcare Services, ensuring operational excellence and strategic alignment with the organization's long-term objectives.

Madam Tan commenced her career with Pantai Hospital ("Pantai") in 1982 as an Accounts Officer. Through dedication and professional advancement, she ascended to the role of Chief Executive Officer, where she spearheaded numerous initiatives to enhance patient care and hospital services. Under her leadership, Pantai introduced key healthcare facilities, including the Paediatric Ward, Satellite Pharmacy, Hearing Centre, Endoscopy Services, Cancer Centre, Breast Care Centre, and Spine & Joint Centre. A testament to her commitment to international healthcare standards, Pantai Hospital Kuala Lumpur successfully attained Joint Commission International ("JCI") Accreditation in 2009.

In 2013, Madam Tan joined Sunway Medical Centre ("SMC"), where she played an instrumental role in advancing the hospital's standing in the region. During her tenure, SMC became the first hospital in Southeast Asia to receive the prestigious Australia Council on Healthcare Standards Award in 2014, reflecting her dedication to excellence in healthcare governance.

Madam Tan has no family relationship with any director and/or major shareholder of SAB, nor any conflict of interest with the Company.

Madam Tan has not been convicted of any offence within the past five years, other than traffic offences, if any.

# SUSTAINABILITY STATEMENT





# SUSTAINABILITY STATEMENT

# INTRODUCTION

SAB believes in a stakeholder-focused approach and the creation of long-term value through sustainability. This drives our commitment to fulfil our promises to all stakeholders we engage with. Sustainability is a crucial element for industry competitiveness and business resilience, we are dedicated to embedding its principles within our corporate culture and three core business segments: Oleochemical Manufacturing, Milling & Cultivation, and Healthcare Services. Our aim is to provide exceptional customer service and product excellence.

# **About this Sustainability Statement**

This Sustainability Statement is the 8<sup>th</sup> edition published in our Annual Report ("AR"), since FY2018. It has been prepared in accordance with Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirements ("MMLR") and referred to Bursa Malaysia Sustainability Reporting Guide (3<sup>rd</sup> edition). This report is structured by our sustainability strategy, which we have further mapped to the relevant United Nations Sustainable Development Goals and Malaysia's 2030 Agenda for Sustainable Development, underscoring our efforts to align with global and national sustainability targets.

### **Reporting Scope and Basis**

This statement covers the period from 1 April 2024 to 31 March 2025, aligning with the Company's financial year ("FY"). Unless specified otherwise, the scope of this statement covers the business and operations of our support office in Centro Tower, Klang, and our three core segments located in Malaysia and Indonesia: Oleochemical Manufacturing, Milling & Cultivation, and Healthcare Services. The Investment & Services segment is excluded as it primarily supports our core operations and accounts for only 1.8% of our revenue.

### **Assurance Process**

This statement had not been subjected to an assurance process. However, we will assess the need for internal and/ or external assurance in the upcoming years.

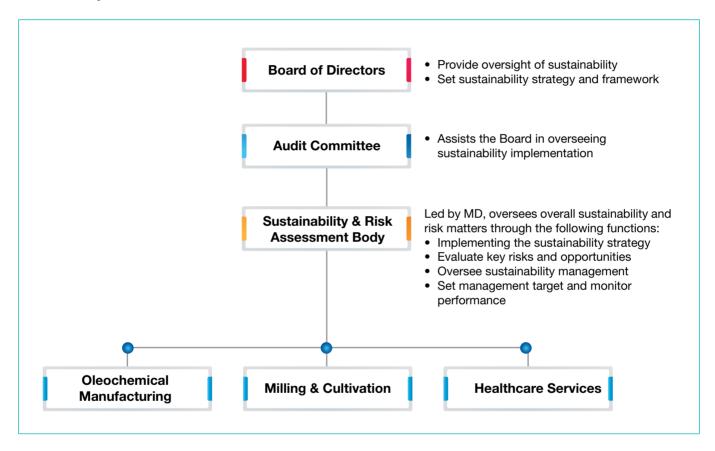


# SUSTAINABILITY STATEMENT (CONT'D)

# **OUR SUSTAINABILITY APPROACH**

In our commitment to both fulfilling our obligations to our diverse stakeholders and achieving economic success, SAB actively incorporates sustainability principles into our daily operations. This is driven by a clear leadership directive, ongoing engagement with stakeholders, and a structured framework that guides our sustainability initiatives, ensuring this balance is maintained.

### **Sustainability Governance**



A robust and efficient governance framework at SAB ensures transparent decision-making and cultivates trust, which drives business growth and protects stakeholder interests. We have established a sustainability governance structure to oversee and integrate sustainability into all business operations. The Audit Committee ("AC") has been assigned Board-level oversight of sustainability, and is supported by the Sustainability & Risk Assessment Body ("SRAB"). The Board retains ultimate responsibility for sustainable operations, with the Managing Director ("MD") chairing the SRAB and leading the sustainability agenda. The SRAB, comprising heads of core business segments and corporate functions, oversees overall sustainability and risk matters to ensure strategy implementation, monitors performance, sets targets, and champions the integration of sustainability into long-term planning and core processes.



# SUSTAINABILITY STATEMENT (CONT'D)

# **OUR SUSTAINABILITY APPROACH (CONT'D)**

# **Stakeholder Engagement**

We recognise the significance of regular engagement and constructive feedback; SAB actively fosters dialogue with our stakeholders to achieve mutually beneficial outcomes for both our business and our stakeholders. Through various platforms, we have developed a comprehensive understanding of stakeholders' needs, integrating their insights into our strategic framework to proactively address and manage relevant issues. During the year in review, we engaged actively with customers, employees, investors, communities, government entities, and suppliers. A summary of their concerns and interests is provided in the table below:

Stakeholder Groups	Frequency and Engagement Method	Topic of Concern and Interest	Material Matters
Customers	On-going	<ul><li>Customer service</li><li>Customer experience</li><li>Product quality</li></ul>	<ul> <li>Customer Satisfaction</li> <li>Accreditations and Adherence to Quality Standards</li> <li>Innovation</li> <li>Biodiversity</li> </ul>
Employees	On-going     Town hall meetings     Workshops     Focus group discussions     Internal committee meetings     Surveys     Events     Internal circulars     Newsletters	<ul> <li>Company direction and performance</li> <li>Career development and training opportunities</li> <li>Workplace health and safety</li> <li>Well-being of employees (including fair compensation)</li> </ul>	<ul> <li>Health and Safety</li> <li>Employee Management and Development</li> </ul>
Investors	On-going/As needed	<ul> <li>Operational and financial performance</li> <li>Shareholder returns</li> </ul>	<ul> <li>Governance</li> <li>Customer Satisfaction</li> <li>Accreditations and Adherence to Quality Standards</li> <li>Innovation</li> <li>Supply Chain Management</li> <li>Energy Management</li> <li>Emissions</li> <li>Biodiversity</li> <li>Water Management</li> <li>Effluents and Waste Management</li> <li>Health and Safety</li> <li>Employee Management and Development</li> <li>Community Development and Relations</li> </ul>
Local Communities	On-going     Community engagement programmes     Health awareness programmes	<ul> <li>Community         development and         support</li> <li>Quality, safety, health         and environment</li> <li>Social and         environmental impact</li> </ul>	<ul> <li>Emissions</li> <li>Biodiversity</li> <li>Effluents and Waste Management</li> <li>Health and Safety</li> <li>Community Development and Relations</li> </ul>

# SUSTAINABILITY STATEMENT (CONT'D)

# **OUR SUSTAINABILITY APPROACH (CONT'D)**

# Stakeholder Engagement (cont'd)

Stakeholder Groups	Frequency and Engagement Method	Topic of Concern and Interest	Material Matters
Government and Authorities	On-going	<ul> <li>Regulatory compliance</li> <li>Improving efficiency and productivity</li> </ul>	<ul> <li>Governance</li> <li>Innovation</li> <li>Energy Management</li> <li>Emissions</li> <li>Biodiversity</li> <li>Water Management</li> <li>Effluents and Waste Management</li> <li>Health and Safety</li> </ul>
Suppliers	On-going     Procurement system     (including tender process)     Supplier surveys     Supplier performance     evaluation     Online meeting     Emails     Phone calls	<ul> <li>Transparency in procurement process</li> <li>Knowledge sharing and capability building</li> </ul>	Supply Chain Management

# **Material Matters**

SAB utilises a materiality assessment process to identify and evaluate various sustainability matters, allowing us to pinpoint issues with significant Economic, Environmental, and Social ("EES") impacts on the Company, its subsidiaries, and our stakeholders. This process involved individual materiality assessments for each of our three core business segments in FY2019, which were then consolidated into a group-wide evaluation and prioritisation. Our materiality assessment process is summarised below:

### 1. Identification

Through a comprehensive review of our operations, incorporating input from key stakeholders of SAB and its subsidiaries, desktop research, and the use of internal and external data, we identified the material matters significant to our business and relevant to peer benchmarking within our industry.

Internal Sources	External Sources
<ul> <li>Biodiversity Assessment record</li> <li>Customer Service Index ("CSI") score</li> <li>Site visit and operation meeting</li> </ul>	<ul> <li>Bursa Malaysia Enhanced Sustainability Reporting Framework, including the 3<sup>rd</sup> edition of the Sustainability Reporting Guide</li> <li>Department of Occupational Safety and Health ("DOSH") and other safety regulations</li> <li>Industry peers' sustainability disclosures</li> <li>ISO surveillance audit report</li> <li>ISPO surveillance audit report</li> <li>MSPO surveillance audit report</li> <li>Social Impact Assessment ("SIA")</li> </ul>

# SUSTAINABILITY STATEMENT (CONT'D)

# **OUR SUSTAINABILITY APPROACH (CONT'D)**

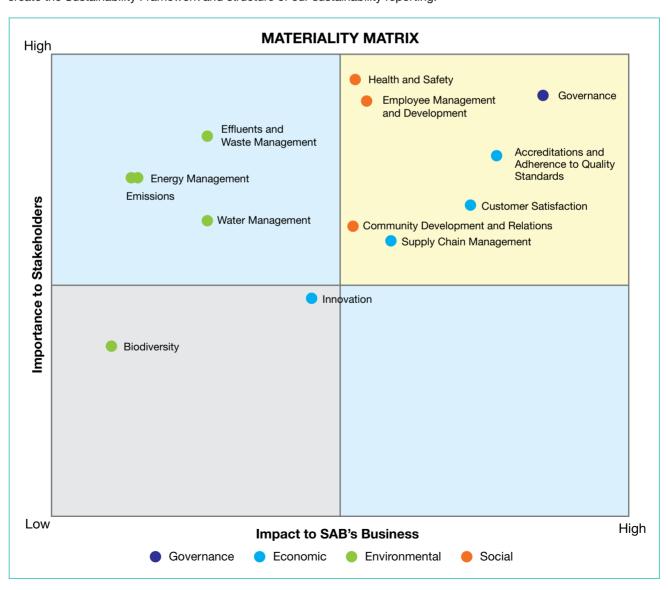
# Material Matters (cont'd)

# 2. Prioritisation

The diverse operations across the Company and its core segments, stakeholder concerns and requirements were varied. To address this, each segment, led by its head and working team, determined the significance of material matters by considering both business perspectives and the insights of their respective stakeholders.

### 3. Validation

The prioritisation outcomes were discussed by the Sustainability Committee at that time and then submitted to the Board for approval. This process resulted in the identification of thirteen (13) material matters, which were further grouped to create the Sustainability Framework and structure of our sustainability reporting.



# SUSTAINABILITY STATEMENT (CONT'D)

## **OUR SUSTAINABILITY APPROACH (CONT'D)**

#### Material Matters (cont'd)

#### 3. Validation (cont'd)

Annually, our current SRAB reviews the materiality assessment outcomes to ensure their continued relevance to our business and stakeholders. In FY2024, we reviewed our material matters against the eleven (11) common sustainability material matters mandated by Bursa Malaysia. As a result, we refined the definitions of "Governance" and "Employee Management" to cover a wider scope. The material matter of "Governance" encompasses topics such as Anti-Corruption and Data Privacy and Security. For Employee Management, we relabelled the material matter to "Employee Management and Development" to better reflect the training and development aspect of our workforce management. Similarly, "Energy Efficiency" was relabelled to "Energy Management" to cover a more holistic approach in addressing our energy usage.

Following a review in FY2025, it is noted that stakeholder prioritisation has been revised within specific segments. In view of an increasingly interconnected and transparent business environment, stakeholders such as customers, employees, authorities, and local communities both influence and are influenced by companies in diverse way, making their roles essential to long-term sustainability and success.

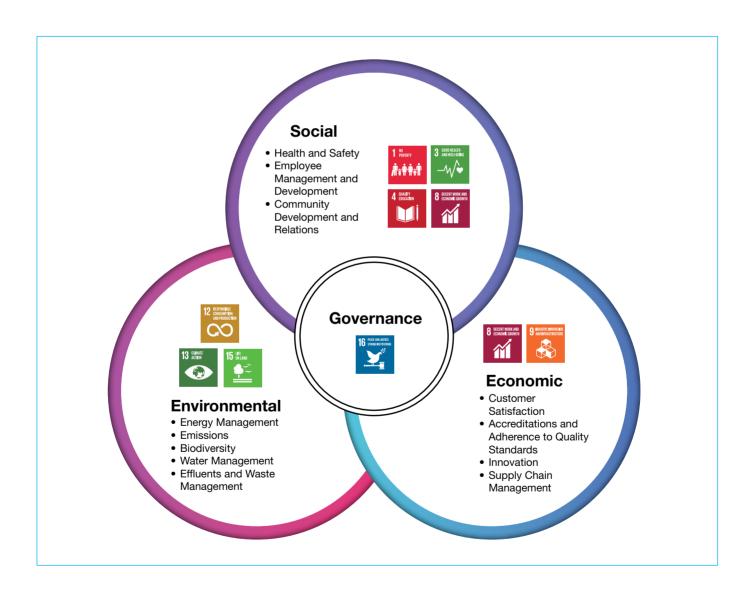
This year's assessment indicates a shift in material topic prioritisation compared to the previous year. Topics such as health and safety, employee management and development, and community development and relations have emerged as having a greater impact on SAB's business performance and strategic direction. Additionally, biodiversity has gained increased importance among stakeholders, underscoring a growing awareness and expectation for environmental stewardship.

Material Matters	Descriptions
Governance	This refers to establishing structured processes and rules to manage the company's operations, including enforcing effective board and management oversights, and upholding high standards of ethics and transparency in addressing issues such as anti-corruption and data privacy and security.
<b>Customer Satisfaction</b>	This refers to being able to consistently meet and exceed the diverse needs and expectations of our customers with the aim of building a trusted relationship.
Accreditations and Adherence to Quality Standards	This refers to the alignment of our practices with global standards to ensure product and service excellence and consistency.
Innovation	This refers to a culture that embraces new ideas for improvements, fostering creativity and exploration to generate value.
Supply Chain Management	This refers to the stewardship role in our value chain by promoting ethical and sustainable practices among our suppliers, while contributing to local economy.
Energy Management	This refers to measures to optimise the utilisation of electricity to drive operational efficiency while promoting sustainability.
Emissions	This refers to the management of the release of environmentally hazardous substances and greenhouse gases into the atmosphere, aiming to minimise ecological harm and mitigate climate change.
Biodiversity	This refers to the measures to preserve biodiversity and mitigate adverse effects on ecosystems.
Water Management	This refers to the utilisation of water resources to ensure efficient consumption and reduce our ecological footprint.
Effluents and Waste Management	This refers to the management of effluents, hazardous, and non-hazardous waste to minimise environmental impact, promote recycling and reuse, and ensure compliance with regulations.
Health and Safety	This refers to managing hazards in the workplace to safeguard the health and well-being of workers.
Employee Management and Development	This refers to efforts aimed at cultivating a fair and supportive workplace environment through equitable management practices and empowerment of employees.
Community Development and Relations	This refers to engagement and support given to local communities to address their needs and concerns, underscoring our commitment as a responsible corporate citizen.

## **OUR SUSTAINABILITY APPROACH (CONT'D)**

#### **Sustainability Framework**

Following the materiality assessment, key sustainability topics were categorised according to the four pillars of sustainability: Economic, Environmental, Social, and Governance. This classification establishes a framework that ensures the alignment of sustainability goals with the broader business strategy and reporting requirements. It also facilitates a structured approach for stakeholder engagement and performance evaluation.



# SUSTAINABILITY STATEMENT (CONT'D)

#### **GOVERNANCE**

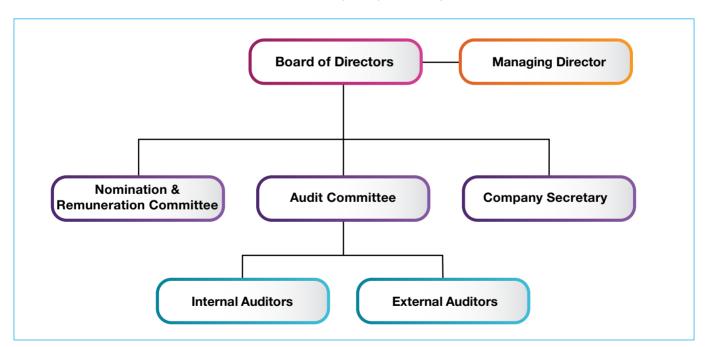
Starting as a humble oleochemical manufacturer, SAB has progressively diversified its business, expanding vertically into the upstream oil palm sector and horizontally into the healthcare services industry. SAB believes that a clear and structured governance framework can help ensure all the decisions across all segments are made with accountability, transparency, and consistency. Strong governance at SAB is not static, it evolves alongside changes in business strategies, industry trends, regulatory developments, and stakeholder expectations. Therefore, we remain committed to continually improving our governance practices to support sustainable growth and responsible business conduct.

#### **Our Approach**

#### **Corporate Governance**

As a listed company, SAB applies the principles of the Malaysian Code on Corporate Governance ("MCCG") to reinforce board oversight and operational accountability. SAB and its subsidiaries are governed by the Board, which holds a fiduciary duty, as outlined in the Board Charter, to act in the best interests of shareholders and stakeholders. They oversee the long-term management and strategic direction of SAB, ensuring that corporate objectives are achieved through sound leadership, effective risk management, and ethical business practices.

The Board is supported by the MD, who is responsible for the Company's day-to-day management and the execution of the strategic plans. The Board has established two sub-committees to enhance oversight and strengthen governance effectiveness, which provide focused review and recommendations in the areas of audit, nomination, and remuneration, enabling more detailed examination and informed decision-making within their respective domains. Further information on the roles and responsibilities of these committees can be found in the Terms of Reference ("TOR") on our corporate website.



## **GOVERNANCE (CONT'D)**

#### Our Approach (cont'd)

#### **Policies**

Our governance philosophy is reflected in the policies that guide employee behaviour and management decisions. The Code of Conduct & Ethics ("CoCE") sets the tone for ethical decision-making across the SAB and its subsidiaries. It provides clear expectations on integrity and professionalism, which are the principles that shape how we engage with stakeholders, partners, and the wider community.

The CoCE is complemented by our Anti-Bribery & Anti-Corruption Policy ("ABAC Policy"), which prohibits unethical conduct across all operations, and the Whistleblower Policy ("WB Policy"), which enables early detection of misconduct through secure and confidential reporting.

Each policy is subject to periodic review to ensure it remains effective and understood by all relevant parties.

#### **Anti-Bribery and Anti-Corruption**

SAB stands firmly with zero tolerance towards any form of bribery and corruption, as outlined in our ABAC Policy. This commitment is demonstrated through proactive measures to prevent, detect and respond to bribery, corruption, fraud and money laundering, in strict compliance with applicable local laws and regulations, including the Malaysian Anti-Corruption Commission (Amendment) Act 2018. Our latest ABAC Policy, which was reviewed and approved by the Board in November 2024, reflects SAB's response to address operational realities and emerging bribery and corruption risks across our value chain.

To ensure our employees understand their obligations under the ABAC Policy, we conduct regular training sessions and require them to complete declaration of commitment to comply with the relevant policies to uphold integrity.

Corruption risk assessments are regularly conducted to factor in shifts in our business operations, industry dynamics and regulatory landscape. These assessments enable us to identify high-risk areas, facilitating targeted enhancements to our anti-corruption framework, improving both its resilience and effectiveness.

In line with the WB Policy, SAB has established a whistleblowing channel that allows employees and external parties to report any unethical behaviour or suspected violations involving the Company and/or its subsidiaries without fear of retaliation. Individuals who have knowledge or reasonable suspicion of improper conduct are encouraged to report their concerns through the designated channels specified in the policy. Whistleblowers who act in good faith will be fully protected against any form of repercussions or harm, regardless of the outcome of the investigation. All reports will be reviewed and investigated impartially by the AC, with confidentiality strictly maintained throughout the process. Where necessary, corrective actions will be implemented to uphold ethical standards and remediate gaps.

The Company's ABAC Policy and WB Policy are publicly available on our corporate website.

# SUSTAINABILITY STATEMENT (CONT'D)

## **GOVERNANCE (CONT'D)**

#### Our Approach (cont'd)

#### **Data Privacy and Security**

Responsible personal and business data management is vital to preserving stakeholder trust and ensuring regulatory compliance. Data breaches and failures to comply with data protection laws can severely affect the Company's reputation, financial stability, and long-term resilience. As data continues to grow in strategic importance, our responsibilities extend beyond operational excellence to the protection of personal information and the safeguarding of privacy rights.

SAB strongly emphasises data privacy and security across all business segments, with particular focus on the Healthcare Services. Protecting patient information is fundamental to sustaining a respectful and trusted relationship with the communities we serve. To uphold the highest data protection standards, the Healthcare Services has established a dedicated Information Technology Department responsible for managing data security, privacy practices, and regulatory compliance.

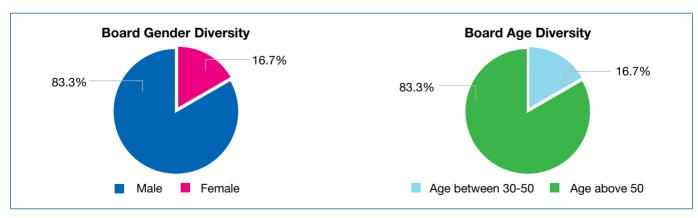
In line with our ambition to be the most accessible and preferred community medical centre, we uphold the fundamental rights of all patients, including their right to privacy and confidentiality. This commitment is formally outlined in our Personal Data Protection Act ("PDPA") Notice, which explains the purposes of data collection and processing, and details on how and when data may be disclosed. Patients are entitled to access and correct their personal information, and we honour their preferences in how their information is used.

For the Company's other business segments, SAB has engaged a qualified external service provider to manage information technology needs. The service provider employs advanced technologies and rigorous security protocols to streamline business processes and ensure continuity of operations. Comprehensive measures are in place to safeguard the Company's and its subsidiaries' data assets against cyber threats and other vulnerabilities, reinforcing our commitment to data security across the organisation.

#### **Our Performance and Progress**

#### **Corporate Governance - Board Diversity**

Our Board comprises members with a broad range of professional backgrounds, expertise and viewpoints. While we value the social diversity of our Board members, appointments are primarily based on professional qualifications, competencies and other relevant criteria outlined in the TOR of the Nomination & Remuneration Committee ("NRC"). The gender and age distribution of the current Board is presented in the diagram below:



## **GOVERNANCE (CONT'D)**

#### Our Performance and Progress (cont'd)

#### **Anti-Bribery and Anti-Corruption**

As at 31 March 2025, 94.4% of the management team, 41.6% of executives, and 6.8% of non-executives across the Company and its three core business segments had completed anti-corruption training. We remain committed to fostering a strong culture of ethics and integrity and continue to expand training coverage across all employee levels.

In FY2025, we conducted an internal corruption risk assessment focusing on two specific areas: Employee Integrity Pledge and ABAC training. The review found that 96.3% of employees had submitted the required integrity declarations, which include the CoCE, Conflict of Interest, Related Party Disclosure, and Procurement Compliance statements. Outstanding submissions are being followed up to ensure full coverage.

The assessment also identified gaps in ABAC training coverage, particularly among non-executive employees in operational functions. As of the reporting date, a higher completion rate was observed among management-level employees. We are working closely with the relevant business units to understand their training roll-out plans and to support timely implementation.

While employee-level compliance is still in progress, 100% of our operations were covered under the internal corruption risk assessment conducted in FY2025. The insights gathered continue to improve our mitigation measures and strengthen the SAB's anti-corruption framework.

In addition, there were no reported incidents of corruption involving the Company, its subsidiaries, or employees during the year under review.

#### **Data Privacy and Security**

As at 31 March 2025, there were no complaints concerning breaches of customer privacy and losses of customer data.

## **Moving Forward**

SAB will continue to strengthen governance practices and reinforce a culture of ethics across all areas of operation. We remain committed to preventing misconduct that could negatively impact the Company and/or its subsidiaries and its stakeholders. Our approach is guided by the principles of integrity, transparency and accountability. In addition to ongoing monitoring and training, we will continue to review and enhance our internal controls to address emerging risks and meet evolving regulatory expectations. These efforts aim to build long-term trust, support sustainable business growth, and reinforce SAB's position as a responsible and reliable organisation.

# SUSTAINABILITY STATEMENT (CONT'D)

#### **ECONOMIC**

The economic pillar is central to our ability to sustain growth, foster resilience, and deliver lasting value to stakeholders. As a responsible organisation, we understand that financial stability goes hand in hand with ethical business practices, operational efficiency, and strategic innovation. By prioritising customer satisfaction, maintaining rigorous quality standards, and optimising our supply chain, we continue to strengthen our competitive edge while ensuring sustainable profitability. Our commitment extends beyond short-term gains, we invest in innovation, employee development, and responsible governance to future-proof our business. By making these efforts, we not only improve economic performance but also improve environmental and societal well-being, increase our reputation as a reliable partner in sustainable development.

#### **Customer Satisfaction**

#### **Our Approach**

Customer satisfaction is a key driver of our economic sustainability, especially within our Healthcare Services. Our reputation for delivering safe, high-quality care is instrumental in building long-term trust and patient loyalty. At the core of our approach is a strong commitment to ensuring that every patient receives exceptional healthcare experiences at every stage of their journey with us.

We have implemented a range of proactive measures to deepen our understanding of patient needs and expectations. Through our ongoing CSI, we foster a responsive and interactive platform that allows us to engage with patients directly and collect valuable feedback. These insights are compiled and shared with department heads monthly to monitor service performance and quide targeted improvement strategies.

In addition to the CSI, we conduct a hospital-wide Patient Experience Survey every six months. This survey evaluates the entire treatment journey, from admission through the Emergency Department to discharge, capturing satisfaction levels across all critical touchpoints.

To reinforce our commitment, Sri Kota has developed a framework of accessible policies including Patients & Family Rights and a Grievance Mechanism, which empower our patients and encourage transparency. Our Service Standard Manual also provides staff with detailed communication protocols and service guidelines, supported by regular training programmes to ensure consistent and compassionate care delivery.

#### **Our Performance and Progress**

We continue to make measurable strides in enhancing customer satisfaction. The ongoing CSI feedback mechanism has enabled us to swiftly identify service gaps and implement timely corrective actions. Regular tracking has also shown improved engagement levels across departments. Sri Kota gathers patient and customer feedback through multiple channels, including surveys, ward and clinic visits, feedback forms, and online reviews. Hospital-wide Patient Experience Survey, conducted biannually, helps us better understand the expectations and experiences of patients and their families throughout the entire hospital journey from admission to discharge.

Patients regularly share their experiences through these platforms, offering valuable input on aspects such as doctor consultations, nursing care, and hospital facilities. This feedback drives continuous improvement across departments. Notably, our Google review rating has risen to 4.5/5, compared to 3.5/5 just two years ago, reflecting tangible progress in patient satisfaction and service quality.

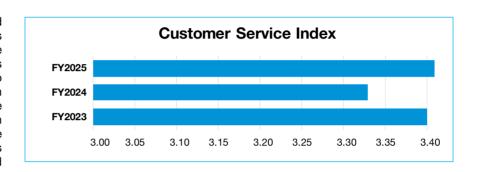
## **ECONOMIC (CONT'D)**

#### **Customer Satisfaction (cont'd)**

#### Our Performance and Progress (cont'd)

#### **Customer Service Index**

In FY2025, Sri Kota achieved an aggregated CSI score of 3.42 (out of 4.0). The results for this year have shown a notable increase compared to the previous year. This positive trend can be directly attributed to the improved service performance within the Healthcare Services. We will continue to prioritise the maintenance of this high standard of excellence, ensuring that the health and satisfaction of our patients remain central to all our operations and objectives.



#### **Bi-Annual Customer Satisfaction Survey**

In FY2025, Sri Kota achieved a customer satisfaction score of 98%. This progress reflects our unwavering commitment to patient-centred care and quality enhancement. As part of the survey, we gathered insights into the key factors influencing patients' choice of healthcare services. The results revealed that the presence of preferred doctors and strong recommendations from family and friends were the top reasons for selecting Sri Kota. These findings underscore the trust placed in our medical professionals and the profound impact of positive patient experiences. We remain dedicated to delivering exceptional care and continuously advancing our service quality to uphold the trust and satisfaction of those we serve.



# SUSTAINABILITY STATEMENT (CONT'D)

## **ECONOMIC (CONT'D)**

#### **Customer Satisfaction (cont'd)**

#### Our Performance and Progress (cont'd)

#### **Customer Service Trainings**

A total of sixty-one (61) customer service-related trainings were conducted for our staff in FY2025, which include the key trainings:

- Training on how to handle very important/very-very important (VIP/VVIP) patients and visitors
- Individual training for new staff (allied health and non-clinical staff)
- Training on the Guidelines for the Management of Aggressive Patients
- Customer service audits for allied health staff and non-clinical staff
- Communication with patient

#### **Accreditations and Adherence to Quality Standards**

#### **Our Approach**

Accreditations and strict adherence to quality standards form a part of SAB and its subsidiaries' operational framework, driving our commitment to excellence across all business segments. These elements are not merely compliance checkpoints, they are strategic pillars that reinforce our brand reputation, enhance stakeholder confidence, and ensure long-term business sustainability.

By embedding quality assurance into our operations, we deliver high-performing products and services, particularly in high-impact sectors such as oil palm plantations and oleochemical production. These industries require stringent controls and certifications to meet both local and international regulatory standards, and our continued compliance opens the door to broader market access and emerging opportunities. Within our Healthcare Services, strict quality protocols ensure that patients receive safe, effective, and consistent care. Regular quality audits, including potential surprise audits by Ministry of Health ("MOH"), updated service manuals, and ongoing staff training ensure we deliver care that meets the highest professional and ethical standards. These efforts collectively reinforce our commitment to excellence in patient experience and medical outcomes.

To support this, we regularly benchmark our operations against industry's best practices and stakeholders' expectations. Annual internal and third-party audits are conducted to ensure that our processes align with evolving quality and sustainability benchmarks. This proactive quality management approach enables continuous improvement and innovation throughout our value chain.



## **ECONOMIC (CONT'D)**

## Accreditations and Adherence to Quality Standards (cont'd)

#### **Our Performance and Progress**

Below is a detailed overview of the certifications and standards upheld by each segment:

Oleochemical Manufacturing	Sustainability Supply Chain  1. RSPO - Supply Chain Certification Standard ("SCCS")  2. MSPO - SCCS
	Management and Quality Standards  1. Quality Management Systems ISO 9001:2015
	Product Quality and Safety Standard  1. Food GMP Malaysian Standard ("MS") 1514:2022  2. Food Safety Management System ISO 22000:2018  3. GMP+ Feed Safety Assurance for Production of Feed Materials  4. GMP+ Feed Safety Assurance for Trade in Feed  5. HACCP MS 1480:2019  6. Halal  7. Kosher
Milling & Cultivation	Management and Quality Standards  1. MSPO certification (1 Estate is certified)  2. ISPO certification (2 Mills and 2 Estates are certified)
Healthcare Services	Management and Quality Standards  1. MSQH Accreditation  2. Hospital Licensing Inspection from MOH
	Safety Standards  1. BOMBA Licensing Inspection  2. Jabatan Keselamatan dan Kesihatan Pekerjaan (JKKP) Licensing Inspection
	<ul> <li>Winning Prestigious Awards</li> <li>1. WSO Angles Award 2024 – Diamond Status by World Stroke Organisation</li> <li>2. Baby Friendly Hospital Initiative 2024 by MOH's National Lactation Centre</li> <li>3. Sin Chew Business Excellence Awards 2024</li> <li>- Business Service Excellence Award</li> <li>- Digital &amp; Technology Business Excellence Awards</li> </ul>

Our ability to consistently meet international standards has not only fortified our brand reputation but also unlocked revenue streams that align with global sustainability developments.

# SUSTAINABILITY STATEMENT (CONT'D)

#### **ECONOMIC (CONT'D)**

#### **Innovation**

#### **Our Approach**

At SAB, innovation is a cornerstone of our long-term economic strategy. We believe that visionary leadership, aligned with evolving industry demands and cutting-edge technologies, drives transformative change across our operations. This forward-thinking approach not only strengthens our competitive positioning in the market but also fosters operational excellence by streamlining processes, reducing costs, and boosting productivity.

Innovation is particularly important within our Healthcare Services, where it enables us to deliver higher-value care, improve patient outcomes, and respond to changing healthcare expectations. By investing in advanced medical infrastructure and digital health technologies, we ensure that our services remain relevant, efficient, and responsive to patient needs. These efforts ultimately contribute to stronger financial performance and increased returns for our shareholders.

To stay ahead of the curve, Sri Kota cultivates robust collaborations with healthcare professionals, academic experts, and industry leaders. We regularly host forums and knowledge exchange platforms with global specialists and our in-house consultants to discuss emerging trends and clinical advancements. These engagements foster innovation and support continuous improvement in patient care and medical delivery. Furthermore, we support research and development in medical technology, forming partnerships to explore and co-develop innovative equipment and healthcare solutions tailored to patient needs and industry trends.

In addition, our Milling & Cultivation has also taken meaningful steps towards innovation this year. We began incorporating precision tools and digital technologies to improve land management and increase plantation productivity. These technological advancements mark a significant step forward in modernising traditional practices and optimising resource usage, reinforcing our commitment to sustainable agriculture and operational efficiency.

#### **Our Performance and Progress**

In Healthcare Services, Sri Kota undertook significant upgrades, including the replacement of traditional notification boards with digital screens to enhance communication and patient service. The hospital also improved its eye surgery discipline with the addition of a new IOLMaster and the installation of a new phacoemulsification ("phaco") machine. In medical imaging, upgrades included the replacement of the existing system with a new ultrasound unit and the acquisition of a brand-new portable ultrasound machine.

Highlights of new machine upgrades at Sri Kota:



- IOLMaster, an optical biometer featuring distanceindependent telecentric keratometry, is primarily
  used in cataract and lens-replacement surgeries to
  precisely measure ocular dimensions and calculate
  the ideal power of the intraocular lens (IOL). This
  advanced technology also contributes to reduced
  residual astigmatism, resulting in improved surgical
  accuracy and visual outcomes.
- A new phaco machine was installed to enhance the precision of cataract surgery by efficiently emulsifying and removing the patient's cloudy eye lens. This advanced technology offers a safer and more effective alternative to conventional cataract procedures with reduced surgical time leading to improved patient outcomes.



## **ECONOMIC (CONT'D)**

#### Innovation (cont'd)

#### Our Performance and Progress (cont'd)

Innovation continues to be a key driver in SAB and its subsidiaries pursuit of operational excellence and sustainability. In Milling & Cultivation, we have integrated drone technology for mapping, conducting tree censuses, and carrying out forest and land fire surveillance and patrol. These digital tools allow for more accurate data collection, real-time monitoring, and improved land management practices, which are essential for increasing productivity and mitigating environmental risks.

SAB continues to explore emerging technologies and collaboration to streamline operations and support long-term sustainable growth. These developments have improved service delivery and expanded medical capabilities within our Healthcare Services. Collectively, these efforts position SAB as a forward-looking, technology-driven organisation, well-prepared to meet future challenges and create lasting value for our stakeholders.

#### **Supply Chain Management**

#### **Our Approach**

At SAB, we understand that effective supply chain management is essential not only for ensuring operational efficiency but also for reinforcing ethical, environmental, and social standards across our value chain. We are in the early stages of formalising our supply chain strategy. However, we are proactively taking steps to engage with suppliers and vendors who share our commitment to responsible business practices.

Our approach centres on minimising supply chain disruptions, maintaining product quality, and maximising our positive impact on the local economy. We prioritise sourcing from responsible and sustainable suppliers through a transparent and impartial tender or procurement process. Potential vendors are evaluated based on predefined criteria that ensure alignment with our standards for quality, integrity, and reliability. As part of our due diligence, new suppliers are required to complete a comprehensive 'New Supplier Qualification Questionnaire' that assesses their CSR initiatives. This evaluation is an integral component of our supplier selection process.

To enhance our governance framework, we enforce strict due diligence procedures under our ABAC Policy. These include the use of relevant due diligence assessment forms to evaluate vendors and agents, with a focus on identifying conflicts of interest, legal compliance, and ethical business conduct. Final approvals are granted by designated authorities appropriate to the nature of the purchase and the specific business unit involved. These authorities may include, but are not limited to, the Head of the Operating Business Unit, Procurement Management, or other designated parties, ensuring alignment with SAB's core values and robust risk mitigation standards.

In our Oleochemical Manufacturing, we have implemented a Sustainable Procurement Policy to advance our efforts in building a more environmentally and socially responsible supply chain. This policy supports our broader sustainability goals by promoting ethical sourcing, reducing environmental impact, and addressing social risks within the supply chain.

Moreover, we are committed to local procurement as a strategic priority. By fostering fair competition through open tendering processes, we support domestic economic growth, minimise exposure to currency fluctuations, and reduce carbon emissions related to transportation. This also enhances supply chain resilience and reinforces our connection with the communities in which we operate.

# SUSTAINABILITY STATEMENT (CONT'D)

## **ECONOMIC (CONT'D)**

#### Supply Chain Management (cont'd)

#### **Our Performance and Progress**

SAB made significant progress in aligning our supply chain practices with our sustainability objectives. The proportion of spending on local suppliers is recorded as 97.7% across all the segments in FY2025.

These achievements reflect our dedication to building a responsible supply chain that enhances value creation while upholding our standards for integrity and sustainability.

#### **Moving Forward**

At SAB, we are committed to delivering high-quality products and exceptional customer service to meet the expectations of our stakeholders. We will continue to pursue national and international accreditations to build up trust and ensure we meet the highest standards.

Innovation will remain a key focus, helping us improve operations, introduce new services, and stay ahead of industry trends. We aim to build stronger partnerships within our supply chain by promoting responsible and sustainable practices.

In our Healthcare Services, we ensure every patient receives the best care and feels valued throughout their journey with us. We aim to improve our loyalty programmes, personalise services to meet individual needs, and strengthen our service quality through more frequent staff training and audits focused on communication, empathy, and responsiveness. By actively analysing patient feedback from emails, forms, and online reviews, we will implement meaningful service improvements.

Guided by our Corporate Values — Commitment, Integrity & Transparency, Excellence, Responsibility & Accountability, and Innovation. SAB will continue to grow sustainably, create value for our stakeholders, and make a positive impact on the communities we serve.

#### **ENVIRONMENTAL**

SAB integrates strong environmental stewardship across three core segments, Milling & Cultivation, Oleochemical Manufacturing, and Healthcare Services, collectively improving on sustainable energy and resource utilisation, pollution prevention, and biodiversity conservation. Each segment implements tailored measures such as sustainable land management and waste reduction in cultivation, wastewater treatment and emissions control in manufacturing, and strict hazardous waste protocols in healthcare. These efforts align with industry standards and regulatory requirements to minimise ecological impact.

#### **Energy Management**

#### **Our Approach**

We believe that a continuous and hands-on approach to energy management is essential for reducing our environmental impact. Improved energy efficiency across our operations contributes directly to the reduction of greenhouse gas ("GHG") emissions. From a business standpoint, it also enhances cost efficiency and reinforces the SAB's position as a proactive contributor to meaningful climate action.

Building on the progress made in FY2024, we have continued to implement practical initiatives as part of our ongoing commitment to energy awareness and sustainable operational management.

#### i. Monitoring energy consumption

Energy consumption is actively monitored across each operating segment. Targeted approaches are adopted to reduce electricity usage and generate cost savings in light of rising electricity tariffs. These efforts highlight the importance of continuous optimisation to achieve sustainable energy management.

#### ii. Energy saving equipment

In 2024, SAB commenced a phased transition from traditional fluorescent lighting to energy-efficient light-emitting diode ("LED") systems across its healthcare facilities. This initiative continue in 2025 aligned with our energy efficiency goals.

Concurrently, LED lighting is being progressively installed across our Milling & Cultivation. Energy-saving upgrades are also integrated into scheduled maintenance activities, including the replacement of inefficient wall-mounted air-conditioning units, to ensure long-term effectiveness and lower energy intensity.

#### iii. Chiller System

To further support energy efficiency at Sri Kota, the chiller was enhanced in FY2024 to support Sri Kota's operations and continued progress in 2025. This upgrade involved the adoption of a water-cooled chiller system, which has proven to be more energy-efficient than conventional alternatives. This initiative directly supports Sri Kota's operations and its continued progress into 2025, ultimately leading to a substantial 55.9% reduction in total electricity consumption.

#### iv. Renewable energy source

SAB recognises that a significant portion of its energy consumption is derived from renewable sources, including palm kernel shells, palm fibres, and palm oil mill effluent ("POME"). While electricity and compressed natural gas remain our primary energy inputs, the integration of renewable energy plays a vital role in diversifying our energy portfolio.

# SUSTAINABILITY STATEMENT (CONT'D)

## **ENVIRONMENTAL (CONT'D)**

#### **Energy Management (cont'd)**

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#### **Our Performance and Progress**

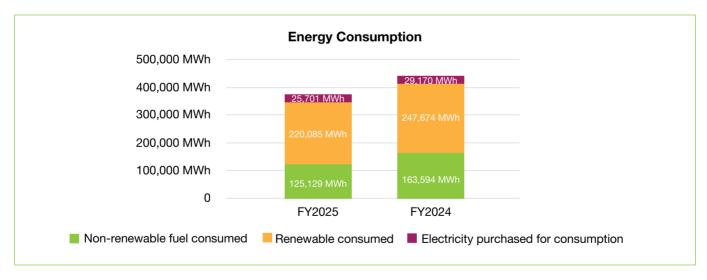
In December 2024, a rooftop solar photovoltaic system was commissioned at our Oleochemical Manufacturing building. While modest in scale, the system contributes approximately 2.9MWh of clean energy per month, reducing reliance on the grid and supporting our commitment to low-carbon operations.

Within the Milling & Cultivation, solar-powered lighting has been installed in selected areas to support energy efficiency, particularly in remote field locations where conventional power access is limited.

In support of the Indonesian Government and ASEAN's strategy for decarbonising transport through renewable fuel use, SAB transitioned to B40 biodiesel from B35 biodiesel in its Milling & Cultivation fleet in FY2025. The 100% fuel integration initiated in January 2025 for PTMAS and PTWan operation was expected to further reduce carbon emissions and contribute to broader environmental benefits.

These activities represent SAB's efforts in leveraging biodiesel and solar technology as part of a long-term strategy to mitigate operational costs and reduce emissions amidst rising energy tariffs. Overall, these initiatives highlight SAB's ongoing commitment to enhancing energy efficiency and energy transitions. We achieve this through continuous and improved monitoring, system, technology optimisation, and the integration of renewable energy solutions.

In FY2025, total energy consumption across our corporate office and three core business segments amounted to **1,335,291** gigajoules, equivalent to **370,915** megawatt-hour ("MWh"). The breakdown of our energy profile is as follows:



In FY2025, SAB achieved a total energy reduction of 69,523 MWh. This represents a 15.7% decrease compared to our total consumption in FY2024, reflecting meaningful progress in enhancing overall energy efficiency across our operations.

Moving forward, we remain committed to advancing our renewable energy solutions with focus on the integration of biomass and biogas. These efforts are designed to increase the share of renewables in our energy mix and reduce our reliance on fossil fuels, particularly diesel used in genset operations at our mills. Furthermore, we will continue to advocate for energy-saving initiatives and awareness in communal facilities.

## **ENVIRONMENTAL (CONT'D)**

#### **Biodiversity**

#### **Our Approach**

Biodiversity is vital across the EES pillars. It supports ecosystem health, which is essential for clean air, water, and climate balance, while also sustaining agricultural productivity and long-term business value. Socially, it underpins food security, public health, and community well-being. Protecting biodiversity helps businesses reduce environmental risks, meet sustainability goals, and contribute positively to society.

Across all core segments, SAB has adopted proactive measures to minimise our impact on biodiversity, especially in our Milling & Cultivation, where our practices include:

- · Protection and continuous monitoring of High Conservation Value ("HCV") areas especially to conserve and maintain Rare, Threatened, Endangered ecosystem, flora, fauna and cultural values within management areas and wider landscape.
- Implementation of Best Management Practices i.e. Cultivation on peatlands and Good Agricultural Practices to ensure sustainable land use and operational efficiency.
- · Integrated pest management to reduce reliance on chemical usage and promote natural pest control. i.e., breeding of barn owls to control rodent populations, managing beetle attacks and larvae using pheromone traps and M. anisopliae fungus.

As for our Oleochemical Manufacturing, a strict control of emissions and waste plays a key role in conserving biodiversity by preventing pollution and protecting surrounding ecosystems. In the Healthcare Services, sustainable procurement and effective waste management are complemented by efforts to encourage green lifestyles and raise awareness of biodiversity conservation.

Through these approaches and initiatives, SAB aims to integrate further awareness on biodiversity protection into our sustainability framework and plans to explore and contribute better understanding on a wider landscape-level conservation effort for biodiversity stewardship.



# SUSTAINABILITY STATEMENT (CONT'D)

## **ENVIRONMENTAL (CONT'D)**

#### **Biodiversity (cont'd)**

#### **Our Performance and Progress**

In the Milling & Cultivation at PTMAS and PTWan in Riau, SAB continues to uphold mandatory sustainability commitments, including compliance with the ISPO standard. These certifications undergo annual surveillance in line with Minister of Agriculture Regulation No. 38 of 2020, ensuring alignment with national environmental and agricultural policies.

At PTWan, a total of 77.7 Ha of HCV areas are maintained, including riparian buffer zones along the Kuning River and the Jake River tributary, with active monitoring conducted over 2.2 km and 6.7 km stretches, respectively. Maintenance efforts involve planting native tree species to improve degraded buffer area, along with inventory, and biodiversity assessments. Monitoring responsibilities are shared across divisions, with appointed staff compiling biannual reports. The Company also reports sightings of protected species to the Natural Resources Conservation Center of Riau Province (Balai Konservasi Sumber Daya Alam) and conducts awareness campaigns for employees and local communities at least twice a year.

Based on the 2024 HCV monitoring and identification report conducted in PTWan, ten (10) significant conservation species were found within the oil palm landscape, indicating that the area holds important biodiversity values under HCV 1. Notable mammals such as the pig-tailed macaque and long-tailed macaque, while not protected under Indonesian law, are listed in CITES Appendix II and classified as Endangered by the IUCN. Other species identified as protected under Indonesian law, Permen.LHK No. P.106/2018.

The Storm's Stork, a migratory and endangered bird species, further highlights the ecological importance of the area for rare avifauna. Several reptiles, including the reticulated python, monitor lizard, and Sumatran spitting cobra, are also listed under CITES and play an important ecological role. Plant species such as Nepenthes and mahogany add additional conservation value, with mahogany also listed under CITES. The presence of these species reinforces the need to protect and manage the ecosystem to support biodiversity conservation within the oil palm landscape.







Additionally, SAB's Healthcare Services continues to promote biodiversity enhancement through its garden landscaping initiative, which contributes to enhancing green spaces. However, rooftop environments present certain challenges due to high exposure to sunlight and the need for proper irrigation. These conditions require consistent care and maintenance to ensure the landscape remains sustainable. Despite these challenges, our Healthcare Services remains committed to supporting green building practices and promoting biodiversity. As part of this commitment, we have established a rooftop garden within our healthcare facilities. The garden currently features thirty (30) vases planted with a variety of species, including Frangipani (kemboja), Ixora and Areca palm. This initiative aims to raise environmental awareness, support staff well-being and enhance the greenery within the facility's surroundings.

## **ENVIRONMENTAL (CONT'D)**

#### **Water Management**

#### **Our Approach**

Water management is an imperative aspect of SAB's sustainability approach, balancing environmental protection, operational efficiency, and social responsibility. Environmentally, it ensures the conservation of natural water sources and minimises pollution through responsible use and treatment practices. Economically, efficient water usage lowers operational costs and supports long-term productivity. Socially, it safeguards water access and quality for surrounding communities, promoting health and well-being.

#### Oleochemical Manufacturing

Emphasis on efficient use of water in chemical processing, closed-loop systems, and strict monitoring of effluent discharge to meet environmental standards and prevent water source contamination.

#### Milling & Cultivation

Focus on optimising water use in processing, improving wastewater treatment (including POME), and maintaining buffer zones to protect natural waterways and biodiversity.

#### Healthcare Services

Prioritises water quality for production and hygiene, with emphasis on wastewater treatment and proper disposal of pharmaceuticals and chemicals to avoid environmental harm.

#### **Our Performance and Progress**

Water management is a critical aspect of SAB's Milling & Cultivation, particularly in mitigating the risks associated with seasonal water shortages. Each concession is responsible for maintaining rainwater reservoirs, which serve as essential water sources during prolonged dry periods. These reservoirs also support Emergency Response Team (*Tim Kesiapsiagaan dan Tanggap Darurat*) activities in managing potential land fire incidents within and surrounding operational areas.

Lead by Compliance and Certification Team (*Tim Kepatuhan dan Sertifikasi*), all estate divisions are required to monitor and maintain buffer zones, especially riparian in replanting areas by ensuring vegetation along riverbanks is intact and maintained with soil retention and high tolerant plants. This approach enhances soil infiltration, improves moisture retention, and reduces erosion, contributing to the long-term protection of waterways and downstream ecosystems.

SAB continues to promote sustainable practices within its healthcare facilities through ongoing awareness campaigns. Informative and user-friendly signage has been placed in communal restrooms to encourage staff and visitors to use energy and water responsibly, reinforcing our commitment to resource efficiency and environmental stewardship.

As part of environmental enhancements for the Oleochemical Manufacturing, with plans to pursue ISO 14001:2015 Environmental Management System certification. Budget allocations are being prioritised to strengthen environmental management systems and support continuous improvement in line with risk mitigation measures.

Benchmarking FY2024, total water consumption across SAB and its three core business segments amounted to 1,237 megalitres. In FY2025, this figure slightly increased to 1,317 megalitres, primarily due to the dynamic operational activities. Despite this growth, SAB remains committed to responsible resource management and strategic solutions.

# SUSTAINABILITY STATEMENT (CONT'D)

#### **ENVIRONMENTAL (CONT'D)**

#### **Effluents and Waste Management**

#### **Our Approach**

Effective effluent and waste management is part of SAB's ongoing effort to commit to environmental protection. By controlling the release of harmful substances, we aim to prevent environmental pollution and maintain cleaner operations across our facilities. The Company and its subsidiaries business operations generate various types of solid and liquid waste, including hazardous materials. We are dedicated to ensuring all waste is managed safely and in full compliance with environmental laws, especially the Environmental Quality Act 1974.

#### Oleochemical Manufacturing

Our manufacturing processes generate wastewater containing fatty acids, glycerine, organic residues and inorganic acids, all of which must be treated before being discharged into the environment. To ensure compliance with the Environmental Quality (Industrial Effluent) Regulations 2009, we apply a combination of grease traps, physical and chemical separation, and biological treatment methods. Hazardous materials used in production are systematically managed, securely stored and disposed of in accordance with regulatory requirements to minimise environmental impact.

#### Milling & Cultivation

The processing of FFB generates a substantial amount of POME, which is treated using anaerobic digestion and final settling ponds to mitigate the risk of environmental pollution. Solid waste from effluent ponds is removed and repurposed as fertiliser, while remaining liquid is treated to meet regulatory discharge standards before release.

Furthermore, biomass waste, such as empty fruit bunches ("EFB") are repurposed by converting it into fertiliser or renewable energy material. These practices are guided by applicable jurisdictional requirements, including adherence to ISPO and MSPO guidelines.

#### Healthcare Services

At Healthcare Services, various types of waste are generated, including sharps, solids, radioactive, hazardous, and clinical waste. To ensure safety and responsible management, we uphold the highest standards of quality management and operational protocols, fully aligned with the Environmental Quality (Scheduled Wastes) Regulations 2005. This includes the proper handling of materials such as expired pharmaceuticals, clinical waste, sharps, and radioactive substances. All scheduled waste is accurately labelled, securely stored, and meticulously tracked to ensure full traceability. We engage licensed contractors to carry out high-temperature incineration, with residual ash safely disposed of at authorised landfill sites. Employees are regularly trained to maintain strict compliance and uphold best practices in waste handling and environmental protection.

Through these targeted efforts, SAB continues to reduce waste-related risks, promote recycling, and support sustainable operations.

## **ENVIRONMENTAL (CONT'D)**

#### Effluents and Waste Management (cont'd)

#### **Our Performance and Progress**

The operation within Milling & Cultivation, EFB is repurposed to organic fertiliser through composting and applied across plantation areas. Within our operation, we continue to improve waste segregation practices by separating organic from inorganic waste, allowing organic matter to be used in flower beds and as a natural rodent deterrent, enhancing environmental hygiene and landscape sustainability.

All hazardous and toxic waste (B3) is managed responsibly in accordance with national regulations. Hazardous and toxic waste is securely stored at designated temporary storage facilities before being transferred to licensed third-party contractors for safe disposal, ensuring full regulatory compliance.

Effluent from production processes undergoes consistent real-time monitoring by Ministry of Environment through continuous and Online Wastewater Quality Monitoring System (Sistem Pemantauan Kualitas Air Limbah secara Terus Menerus dan Dalam Jaringan) which known as SPARING. This ensures that discharge meets environmental standards and reflects our commitment to ongoing environmental monitoring and transparency.

Meanwhile, within our Healthcare Services, SAB is proactively reducing plastic use in our facilities. Cafeterias and food packaging have transitioned from plastic takeaway containers to biodegradable, paper-based alternatives. To further promote sustainable habits, a nominal charge is applied for each biodegradable container, incentivising staff and customers to bring their own reusable containers. This initiative reflects our broader commitment to continuous environmental improvement and innovation in service delivery.

#### **Emissions**

#### **Our Approach**

Climate change effects are becoming increasingly evident in our daily lives and business operations. Proactive and systematic emissions management is essential for organisations seeking to respond effectively to this global challenge. The process begins with a thorough understanding of our emissions footprint through accurate measurement and consistent tracking. These insights inform the development of targeted strategies and action plans to reduce GHG emissions.

We address this material issue through a two-pronged approach aimed at reducing our emissions footprint:

- Strategies solution in measuring our GHG and monitoring Scope 1, Scope 2 and Scope 3 emissions, establishing a datadriven foundation for emissions management
- Utilising biomass as a renewable energy source, thereby reducing our dependence on fossil fuels and supporting a lower-carbon energy transition

#### **Our Performance and Progress**

We have commenced measurement of our Scope 1, Scope 2, and selected Scope 3 emissions across the Company and its three core business segments. As with many organisations, we face challenges in this area. While initial data collection is proceeding, further refinement of methodologies is required to align with international best practices, particularly the GHG Protocol. Furthermore, SAB are committed to enhancing the robustness of our approach and aim to disclose our greenhouse gas emissions footprint in line with Bursa Malaysia's MMLR in the coming year.

# SUSTAINABILITY STATEMENT (CONT'D)

#### SOCIAL

At SAB, we strive to create a societal value that delivers a positive impact on our stakeholders, guided by the belief that people are at the heart of sustainable progress. We are committed to advancing our sustainability goals by embedding diversity, equity, and inclusion ("DEI"), fair employee remuneration, and continuous development into our workplace practices. At the same time, we pursue social value for qualitative growth through CSR activities, as we continue striving to make a meaningful impact on our society.

#### **Health and Safety**

#### **Our Approach**

SAB is committed to continuing to uphold employee rights by strictly adhering to the International Labour Organisation ("ILO") framework. This reflects our dedication to fundamental human values and the promotion of key principles at work, including freedom of association, a safe and healthy working environment, and the elimination of forced labour.

In our Healthcare Services, we comply with the Occupational Safety and Health ("OSH") Act 1994, as well as our internal Health, Safety and Environment ("HSE") Policy. Together, it underpins our commitment to safeguarding the health and safety of all stakeholders, including employees, patients, and contractors. Sri Kota has strengthened health and safety management through the establishment of a dedicated HSE Committee. The committee is structured into two main divisions, Operational and Clinical, each responsible for implementing initiatives in line with the OSH Act 1994. The commitment indicates our continuous effort towards safety management to reduce the risk of occupational injuries. It also reinforces our strong clinical governance and unwavering commitment to delivering high quality healthcare services to our patients.

In Oleochemical Manufacturing and Milling & Cultivation, the Safety and Health Committee is responsible for managing and proactively preventing occupational accidents. As our operations involve the use of hazardous chemicals, we are committed to adhering strictly to Environment, Health and Safety guidelines to mitigate potential risks to both human health and the environment. All new employees undergo comprehensive training in chemical handling and first aid procedures before being assigned to operational sites. Our facilities are equipped with fire and auto-ignition prevention and control systems, and we ensure that all employees are provided with the necessary personal protective equipment ("PPE"). Furthermore, we have implemented a comprehensive Standard Operating Procedure ("SOP") for the safe handling of hazardous materials and operations. This not only protects the health and safety of our workforce but also reinforces the quality and integrity of our operational performance.

Moreover, we have implemented proactive approaches in our Milling & Cultivation operations to ensure preparedness for fire risk management across our plantations. We monitor and analyse plantation fire risks using real-time climate data provided by the local authority's weather monitoring system (BMKG). Our fire monitoring system incorporates fire control towers and drone surveillance to help mitigate fire risks at the landscape level. In addition, we work closely with local communities to strengthen fire prevention and response efforts, recognising the importance of shared responsibility in managing fire risk.

#### **Our Performance and Progress**

We are pleased to report that no fatalities were recorded across the Company during the reviewed year. In FY2025, SAB and its subsidiaries provided health and safety training to a total of 590 employees across the three core segments of SAB. We recorded a Lost Time Injury Rate (LTIR) of 0.30, with three cases reported in Healthcare Services and three cases in Oleochemical Manufacturing, respectively. The causes of injuries and exposures among healthcare workers include contact with equipment, slips and falls, which have led to illnesses, resulting in lost work hours. In Oleochemical Manufacturing, incidents were related to workplace hazards such as falling due to slippery floors, steam burns, and injury resulting from contact with hot fatty acids.

## SOCIAL (CONT'D)

#### Health and Safety (cont'd)

#### Our Performance and Progress (cont'd)

In FY2025, we conducted continuous health and safety training sessions for the Healthcare Services sector to strengthen workplace safety. These sessions equipped our healthcare professionals with the knowledge to manage work-related hazards and to ensure they remain updated on the latest guidelines and practices, supporting the delivery of safe and effective care to patients. We also conduct Bomba Training across SAB to ensure that employees are familiar with the locations of fire shutters and emergency exits, thereby strengthening their preparedness and response capabilities in the event of an emergency.

Details of the training conducted are shown in the table below:

Segments	Key Trainings	
Oleochemical Manufacturing	<ul> <li>Defensive Driving Training</li> <li>Handling of Forklift Training</li> <li>Hazard Identification, Risk Assessment, and Risk Control (HIRARC)</li> <li>Permit to Work Training</li> <li>Safety Awareness and PPE</li> </ul>	
Milling & Cultivation	<ul> <li>Boiler Operator Training</li> <li>Biomass Power Plant Engine Room Training</li> <li>Electrical Maintenance Training</li> <li>Human Resources Development Training</li> <li>Land Law Training</li> </ul>	
Healthcare Services	<ul> <li>Bomba Training</li> <li>Health Safety &amp; Environment Awareness Training</li> <li>Safety Tabletop Drill</li> </ul>	



Health and safety training sessions conducted at the estates

#### **Employee Management and Development**

## **Our Approach**

#### **Learning and Development**

SAB continuously enhances the skills of our employees through regular training programmes to improve overall corporate competitiveness. To equip our workforce with industry-relevant problem-solving skills and theoretical knowledge, we focus on upskilling employees through targeted training such as safety protocols and procedures in Healthcare Services. This also aims to equip our healthcare professionals with the latest practical skills and industry insights required to address the challenges of global health crises.

#### **Employee Engagement**

We value our employees and strive to foster enthusiasm in the workplace. Recognising that employee engagement positively impacts organisational performance; we are committed to enhancing employees' participation in decision-making processes. Through strengthening employee engagement, we aim to build an inclusive and diverse workplace that values collaboration, mutual respect, and equal opportunities for all employees.

# SUSTAINABILITY STATEMENT (CONT'D)

## SOCIAL (CONT'D)

#### **Employee Management and Development (cont'd)**

#### Our Approach (cont'd)

#### **Upholding Human Rights**

SAB continuously reviews its Labour & Human Rights Policy to prevent discrimination, harassment, and violence in the workplace and maintain a safe and equitable working environment. In addition to upholding human rights throughout the operations in the Milling & Cultivation, we ensure alignment with the MSPO and ISPO certification standards as well as the ILO Conventions regulations. PTMAS and PTWan are also committed to upholding human rights by adhering to the principles outlined in the Workers' Responsibility Policy, which serves as a guideline in ensuring the sustainability of oil palm plantation operations. The policy is reviewed periodically for continuous compliance with industry requirements. SAB has been committed to upholding the rights of our employees; thus, we adopt the Collateral Agreement represented by the Workers Union, endorsed by *Dinas Tenaga Kerja*. In the Oleochemical Manufacturing, unionised employees are protected under a Collective Agreement between the Chemical Workers Union of Malaya and Southern Acids Industries Sdn. Bhd., which ensures fair wages and benefits.

#### **Competitive Remuneration and Benefits**

We remain committed to offering attractive and competitive remuneration through a structured compensation framework. As part of our employee value proposition, employees receive medical insurance coverage and a retirement plan, underscoring the company's dedication to long-term security and well-being. In addition, employees are eligible for bonuses and commissions based on performance to remain competitive in the labour market.

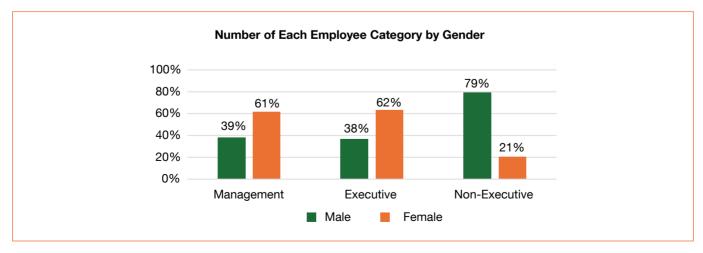
#### **Diversity, Equity and Inclusion**

SAB acknowledged the importance of fostering DEI principles in all our business activities. As a company with overseas subsidiary operations, we value workforce diversity while fostering an equitable and inclusive work environment. Our approach aligns with DEI principles, ensuring that all employees, regardless of background, nationality, or identity, are treated fairly and empowered to contribute fully to the organisation.

#### **Our Performance and Progress**

#### **Diversity, Equity and Inclusion**

Our workforce consists of employees, with 73% male and 27% female.

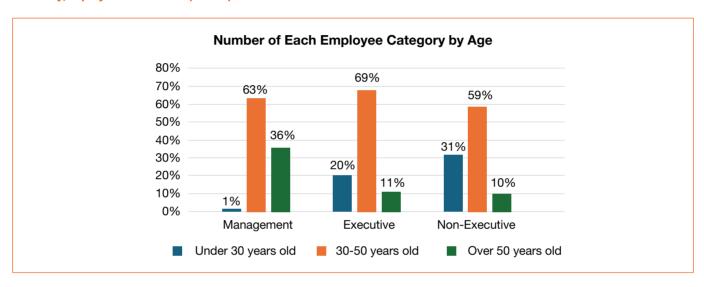


## SOCIAL (CONT'D)

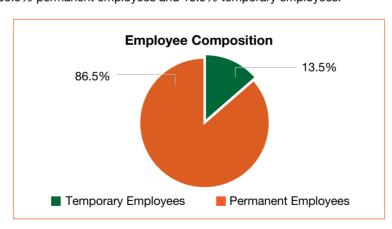
## **Employee Management and Development (cont'd)**

#### Our Performance and Progress (cont'd)

Diversity, Equity and Inclusion (cont'd)



Our workforce comprises 86.5% permanent employees and 13.5% temporary employees.



# SUSTAINABILITY STATEMENT (CONT'D)

## SOCIAL (CONT'D)

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#### **Employee Management and Development (cont'd)**

#### Our Performance and Progress (cont'd)

#### **Learning and Development**

We achieved a total of 7,703 training hours across the following employee categories.

Employee Category	Total Hours of Training
Management	939
Executive	1,730
Non-Executive	5,034
Total	7,703

#### **Employee Engagement**

We celebrate major national festivals with our employees to foster an inclusive and culturally rich workplace, including Chinese New Year, Hari Raya Aidilfitri, Deepavali, and Christmas, through festive luncheon events. Promoting cultural appreciation and mutual respect among our diverse workforce, strengthening social cohesion within the company. By recognising and celebrating these significant cultural occasions, we aim to create a sense of belonging for all employees, contributing to a positive and supportive work environment.

#### **Upholding Human Rights**

We received zero substantiated complaints concerning human rights violations during the reviewed period. We will continue our efforts to maintain zero substantiated complaints in the workplace.

#### **Employee Turnover and New Hire**

	Number of Employee Turnover
Management	14
Executive	41
Non-Executive	183
Total	238

	Number of Employee Turnover
Male	133
Female	105
Total	238

The number of new hires in FY2025 was 286, primarily driven by business needs and staff replacement due to employee turnover.

## SOCIAL (CONT'D)

#### **Community Development and Relations**

#### **Our Approach**

Through our CSR programmes, SAB empowers employees to contribute to positive change in the local communities where we operate. These initiatives offer employees a sense of purpose while enhancing overall employee satisfaction and strengthening SAB's brand reputation.

## **Our Performance and Progress**

Our CSR activities are categorised into four sections: public health awareness campaigns, sponsorship, engagement and development of rural communities and education. In FY2025, SAB invested approximately RM532,154 in Malaysia and RM544,064 in Indonesia, to support local communities, reaching a total of 40,894 beneficiaries.

Category	Community Outreach and Development Programmes
Public health awareness campaigns	<ul> <li>Blood donation campaigns</li> <li>Community health support</li> <li>Free health screenings for senior citizens</li> <li>Sunathon programmes</li> <li>Vaccination support</li> </ul>
Sponsorship	<ul> <li>Annual Charity Golf Tournament 2024</li> <li>Klang Half Marathon 2024</li> <li>Pacu Jalur events</li> <li>Religious aid (e.g., refurbishment of prayer facilities and support for religious festival celebrations)</li> </ul>
Engagement and development of rural communities	<ul> <li>Donations to orphanages</li> <li>Donations to schools</li> <li>Improvement of infrastructure</li> <li>Natural disaster relief assistance</li> <li>Religious and cultural celebrations</li> </ul>
Education	<ul> <li>Health awareness talks and workshops</li> <li>Scholarship programmes</li> <li>School infrastructure development</li> </ul>

# SUSTAINABILITY STATEMENT (CONT'D)

## SOCIAL (CONT'D)

#### **Community Development and Relations (cont'd)**

#### **CSR Progress in Oleochemical Manufacturing**

Oleochemical Manufacturing conducted SIA to assess and manage the impacts of its operations on stakeholders. The primary objective of SIA is to recommend mitigation measures to minimise potential harm and maximise benefits for surrounding communities. The SIA Committee carried out assessments which included engagement with affected communities and stakeholders to identify relevant social issues, risks and environmental impacts, and to evaluate the influence of our operations on all key stakeholders, fostering a more equitable and sustainable relationship.







#### **CSR Progress in Milling & Cultivation**

#### **Scholarship Programmes**

PTMAS and PTWan provided exclusive scholarships for outstanding and underprivileged students, based on academic achievements and extracurricular performance.

#### **School Infrastructure Development**

PTMAS and PTWan are committed to enhancing local school facilities and infrastructure to improve the overall learning environment. This includes contributions toward the upgrading and maintenance of school buildings and amenities.



## SOCIAL (CONT'D)

#### Community Development and Relations (cont'd)

#### CSR Progress in Milling & Cultivation (cont'd)

#### Sponsorship of Cultural and Heritage Activities

PTMAS and PTWan supported local cultural events through donations and co-organisation of traditional and ritual activities, such as *Pacu Jalur* in Singingi Hilir, Kuantan Singingi. This support included sponsoring the outfits for *Pacu Jalur* contestants, reflecting the companies' commitment to preserving and celebrating local cultural heritage.





#### Infrastructure Improvement

PTWan contributed to infrastructure improvement through the enhancement of rural roads and bridges networks to facilitate smoother transportation of goods and enhance the quality of life for local residents. PTMAS and PTWan are also committed to enhancing local school facilities and infrastructure to improve the overall learning environment. This includes contributions toward the upgrading and maintenance of school buildings and amenities.



# SUSTAINABILITY STATEMENT (CONT'D)

## SOCIAL (CONT'D)

#### **Community Development and Relations (cont'd)**

#### **CSR Progress in Healthcare Services**

The community is one of the most important stakeholders in Healthcare Services, and contributing to community health and well-being is a top priority for Sri Kota. To support this commitment, Sri Kota consistently promotes social contribution activities to remain recognised and valued by the community.



#### **Annual Charity Golf Tournament 2024**

We continued our sponsorship of the Annual Charity Golf Tournament 2024, organised by Make-A-Wish Foundation Malaysia on 8 May 2024. This philanthropic event is dedicated to granting life-changing wishes for children with critical illnesses, fostering hope and joy through community-driven support.

## SOCIAL (CONT'D)

#### Community Development and Relations (cont'd)

#### **CSR Progress in Healthcare Services (cont'd)**



#### Klang Half Marathon 2024

With the aim of promoting active lifestyles within the community, we sponsored the Klang Half Marathon 2024 as the Gold Sponsor. This year, the event recorded over 6,000 participants in Klang.



**Soroptimist Charity Movie Fundraiser** 

A fundraising initiative was held to empower women and girls through improved access to education, healthcare, and economic opportunities. This effort reinforces our commitment to gender equality and the promotion of social well-being.



**Bald & Beautiful Charity Fun Run** 

Sri Kota organised the Bald & Beautiful Charity Fun Run with 2,000 participants to support cancer patients and raise awareness. Funds raised from the campaign will go towards cancer care and support global research initiatives.



## Sunathon

Sri Kota provided free circumcision procedures in conjunction with its 25<sup>th</sup> Silver Jubilee Anniversary. A total of 25 children from *Pertubuhan Rumah Anak Yatim Dan Asnaf Kampung Sijangkang* participated in the Sunathon programme, which aimed to ensure access to safe and hygienic medical services while respecting cultural traditions and promoting healthcare accessibility.

# SUSTAINABILITY STATEMENT (CONT'D)

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## **SUMMARY OF DATA AND PERFORMANCE**

Indicator	Measurement Unit	2025
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	94.44
Executive	Percentage	41.63
Non-Executive	Percentage	6.78
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,076,218.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	40,894.00
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	1.00
Management Between 30-50	Percentage	63.00
Management Above 50	Percentage	36.00
Executive Under 30	Percentage	20.00
Executive Between 30-50	Percentage	69.00
Executive Above 50	Percentage	11.00
Non-Executive Under 30	Percentage	31.00
Non-Executive Between 30-50	Percentage	59.00
Non-Executive Above 50	Percentage	10.00
Gender Group by Employee Category		
Management Male	Percentage	39.00
Management Female	Percentage	61.00
Executive Male	Percentage	38.00
Executive Female	Percentage	62.00
Non-Executive Male	Percentage	79.00
Non-Executive Female	Percentage	21.00



# SUMMARY OF DATA AND PERFORMANCE (CONT'D)

Indicator	Measurement Unit	2025
Bursa (Diversity) (cont'd)		
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	83.30
Female	Percentage	16.70
Under 30	Percentage	-
Between 30-50	Percentage	16.70
Above 50	Percentage	83.30
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	370,915.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate	Rate	0.30
Bursa C5(c) Number of employees trained on health and safety standards	Number	590
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	939
Executive	Hours	1,730
Non- Executive	Hours	5,034
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	13.50
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	14
Executive	Number	41
Non- Executive	Number	183
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	97.70
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	1,317.00

# CORPORATE GOVERNANCE OVERVIEW STATEMENT



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of the Company is committed to strive for the highest standard of corporate governance, recognising its pivotal role in the Company's sustainable growth. The unwavering commitment from the Board ensures that the Company's businesses and affairs are effectively managed in the best interests of all stakeholders.

The Board is pleased to present this Corporate Governance Overview Statement ("Statement") to provide shareholders as well as investors with an overview of corporate governance processes and practices of the Company during the financial year.

Three Key Principles of MCCG 2021		
Principle A	Principle B	Principle C
Board leadership and effectiveness	Effective audit and risk management	Integrity in corporate reporting and meaningful relationship with stakeholders

This statement is prepared in compliance with Bursa Malaysia MMLR and is guided by prevailing regulatory and best practice standards, including:

- MCCG 2021
- Corporate Governance Guide issued by Bursa Malaysia
- Guidelines on Conduct of Directors of Listed Companies and their Subsidiaries issued by the Securities Commission
- Companies Act 2016 ("CA 2016")

The Company's Corporate Governance Report 2025, which is available on the Company's website, provides further details on the Company's application of each Practice outlined in the MCCG 2021.

This Statement, together with the CG Report 2025 were approved by the Board on 7 July 2025.

#### PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS

#### **Board Responsibilities**

In discharging its roles and responsibilities, the Board is collectively responsible to the Company's shareholders and other stakeholders for setting the overall strategic direction, ensuring long-term success and creating sustainable value.

To support its oversight responsibilities, the Board has established two Board Committees namely the AC and the NRC. These committees enable the Board to focus on strategy matters while ensuring governance and oversight. Each Board Committee has its own delegated authority, specific roles and responsibilities which are detailed in their respective TORs and are available on the Company's corporate website at <a href="https://www.southernacids.com">www.southernacids.com</a>.

The Board is ultimately responsible for the management and oversight of business affairs, corporate governance, strategic direction, financial and organisational matters of the Company are guided by the Board Charter. The Board Charter further defines the respective roles of the Board Committees, Chairman and MD.

In the Board Charter, key matters reserved for the Board's approval include corporate plans, annual business plan and budget, dividend policy, new ventures, expenditure above a certain pre-determined limit, material acquisitions and disposals of properties and undertakings as well as changes to the management and control structures of the Company.

The Board Charter is available on the Company's corporate website.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

#### PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### **Board Leadership**

The Board ensures that its chairman is an independent non-executive member, and the position of Chairman and MD are held by different individuals with a clear and distinct roles as guided by the Board Charter, thereby ensuring a balance of power and authority.

The Company's Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board as well as encouraging active participation and allowing dissenting views to be expressed freely. This ensures that discussions and contributions from all Directors are forthcoming on matters being deliberated and that no single Board member dominates the discussion.

On the other hand, the MD has an overall responsibility for the day-to-day management of the business, and ensures effective implementation of the Board's policies and decisions. The MD also acts as the conduit between the Board and the senior management of the Company ("Senior Management") in ensuring the success of the Company's overall governance and management functions.

#### **Cultivating Good Business Conduct**

The Board has the established code and policies in cultivating good business conduct within the organisation.

In promoting good business conduct and maintaining a healthy corporate culture, the Board has in place the CoCE which sets out minimum standards of ethical behaviour for directors and employees, to affirm its commitment to practise the highest level of business integrity and ethics. The Code serves as a guide for conflict-of-interest situations, as well as proper standards of business ethics and conduct for the Company and its subsidiaries in conducting their daily activities.

To provide an avenue for employees and third parties such as business associates and stakeholders to raise matters of serious concerns that could adversely impact the Company and its subsidiaries without the fear of reprisal, the Board has established a WB Policy, which embodies the commitment in ensuring the highest possible of standards of ethical, moral and legal business and open communication.

The Company maintains a zero-tolerance approach against all forms of bribery and corruption in all of its overall business dealings. The Board has also established the ABAC policy which demonstrates the Company's commitment in adhering to the principles of good corporate governance and emphasises on operating its business with fairness and transparency.

The Company's CoCE, WB Policy and ABAC Policy are published on the Company's corporate website.

#### **Access to Information & Independent Professional Advice**

The Board is supported by two qualified and competent Company Secretaries who are the members of the Malaysian Institute of Chartered Secretaries and Administrators and are qualified to act as company secretary under CA 2016. They are as follow:

- Madam Lim Kui Suang
- Madam Ng Shu Ling

The Company Secretaries' role is to advise the Board, usually through the Chairman, on governance matters and ensuring there is an effective system of corporate governance in place as well as guiding and advising the Board on all relevant compliance matters.

Independent Non-Executive Directors ("INED") have separate and independent access to the MD, Executive Director ("ED") and/or Senior Management for supplementary or explanatory notes which is pertinent in discharging their duties.

The Directors collectively, may seek independent professional advice and information in the furtherance of their duties at the Company's expense, so as to ensure the Directors are able to make independent and informed decisions.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

#### PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### **Board Committees**

Board Committees are set up to manage specific tasks within their respective approved TOR and report to the Board with their recommendations. The ultimate responsibility for decision making lies with the Board.

#### **The Audit Committee**

The key oversight responsibility of the AC is to assist the Board in carrying out its statutory and fiduciary responsibilities on matters relating to financial reporting, related party transactions, conflict of interest, external audit and internal audit.

A full AC report is set out on pages 80 to 83 of this Annual Report.

#### **The Nomination & Remuneration Committee**

The primary function of Nomination is to ensure that the Company recruits, retains, trains and develops the best available executive and non-executive directors. This includes the effectiveness of renewal and succession planning.

The key tasks within Remuneration are to establish official and transparent remuneration policies and procedures to attract potential directors and senior management as well as to retain existing directors and senior management.

The NRC comprises three (3) members, one Non-Independent Non-Executive Director ("NINED") who is also the Chairman of NRC, and two INEDs. Its delegated authority, specific roles and responsibilities are detailed in its TOR.

The NRC held three meetings in FY2025.

#### **Key Deliberations by The NRC In FY2025**

	Nomination Activities
Board, Board Committees, Directors and Company Secretaries Evaluation	<ul> <li>Conducted the annual assessment on the following:         <ul> <li>Individual directors including the Chairman</li> <li>SAB Board</li> <li>Audit Committee</li> <li>Nomination &amp; Remuneration Committee</li> <li>Independence of Independent Director</li> <li>Company Secretaries</li> </ul> </li> </ul>
Nomination	<ul> <li>Conducted the annual assessment on the retention of the Chairman who has served for a cumulative of more than nine years as the Independent Non-Executive Chairman</li> <li>Conducted assessment on the re-election of directors at the forthcoming AGM</li> </ul>
Success Planning	<ul> <li>Reviewed and deliberated the detailed succession planning of the key management of the three core business segments. Options were presented and highlighted, subject to further changes. This remains an on-going deliberation.</li> </ul>
Others	<ul> <li>Reviewed the current assessment forms to incorporate Key Performance Indicators and sustainability metrics. The new assessment forms will be updated in due course.</li> </ul>

### CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Key Deliberations by The NRC In FY2025 (Cont'd)

Remuneration Activities			
Board Remuneration	<ul> <li>Reviewed and recommended the annual directors fees for FY2024 for shareholders' approval in the AGM</li> <li>Reviewed and recommended the payment of directors' benefits from the AGM date in August 2024 until the next AGM of the Company to be held in 2025</li> </ul>		
MD, ED and Chief Financial Officer ("CFO") Evaluation and Remuneration	<ul> <li>Discussed and deliberated on the terms and conditions of the existing contract for the MD</li> <li>Reviewed and recommended the annual increment for the MD and CFO as well as the bonus for the MD, ED and CFO</li> </ul>		
Others	<ul> <li>Reviewed the current assessment forms to incorporate Key Performance Indicators and Sustainability Metrics. The new assessment forms will be updated in due course.</li> </ul>		

### **Assessment And Evaluation Criteria Used by Nomination**

1. Annual Assessment	
Individual director	<ul> <li>Willingness and ability to critically challenge and asks relevant right questions</li> <li>Character and integrity in dealing with potential conflict of interest situations</li> <li>Commitment to serve the Company with integrity and diligence</li> <li>Confidence to stand up for a point of view</li> </ul>
SAB Board	Categorised into the following section:  Broad mix and composition  Quality of information and decision making  Boardroom activities
Audit Committee Member	<ul> <li>Personality and characteristic</li> <li>Experience including financial literacy</li> <li>Skills and experience to evaluate data on the Company's business and risk environment</li> <li>Understanding the Company's significant financial and non-financial risks</li> <li>Understanding the Company's compliance processes</li> <li>Understanding financial and statutory reporting requirements</li> <li>Understanding the Company's significant accounting policies, accounting estimates and financial reporting practices</li> </ul>
Nomination & Remuneration Committee Member	<ul> <li>Overall</li> <li>Personality and characteristic</li> <li>Experience to meet the objectives of NRC's TOR</li> <li>Nomination Function</li> <li>Understanding human resource legislation and issues</li> <li>Understanding the requirement for Board and Board Committees composition</li> <li>Understanding the nomination and appointment process for directors</li> <li>Understanding the Company's succession planning</li> <li>Possess skills and experience in the field of talent retention, capacity building, performance evaluation and skillset development for directors and senior management</li> <li>Remuneration Function</li> <li>Understanding respective remuneration packages of Non-Executive Chairman, MD, ED, NINED, INED and CFO</li> <li>Understanding the Company's compensation policies its alignment to corporate performance and compensation offered that are comparable with market practices</li> </ul>

### CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Assessment And Evaluation Criteria Used by Nomination (Cont'd)

1. Annual Assessment (Co	ont'd)
Independence of Independent Director	<ul> <li>Meet the requirements as spelled out under Chapter 1, Para 1.01 of the Bursa Malaysia MMLR</li> <li>Demonstrate and promote values of transparency, accountability and responsibility</li> <li>Participate on Board and Board Committees deliberation and provide an independent view or objective advice</li> </ul>
Company Secretaries	<ul> <li>Meet the statutory requirements</li> <li>Best practices requirements</li> <li>Organization formality</li> </ul>
2. Nomination	
Retention of director who has served for a cumulative of more than nine years as INED	interests of the Company
Re-election of directors at the AGM	<ul> <li>Recommendation is based on the annual assessment of the last three years</li> <li>The year assessment marks must exceed 50%</li> </ul>

### **Board Composition**

The Board composition during the year under review represents an effective mix of industry specific knowledge, broad based business and commercial experience as well as independent judgement on matters of legal, accounting and financial advisory.

As at 31 March 2025, the Board comprises six members which consist of three INEDs, one NINED and two Non-Independent Executive Directors ("NIED"). The Details of the Directors, which include their dates of appointment, qualifications and experience, are set out in the Board of Directors' Profile section in this AR 2025.

### **Analysis of the Board diversity**

	BOARD DIVERSITY				
1	Composition	INED 50.0% NIED and NINED 50.0%			
2	Experience And Skills	Industry specific knowledge  Medical Oil Palm Cultivation Palm Oil Milling  Specialisation Accounting/Financial Management Financial Advisory Legal – Corporate & Judiciary			
3	Tenure	Less than 5 years	33.3%		
		More than 5 years and up to 15 years	50.0%		
		More than 15 years	16.7%		

### CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### **Board Composition (Cont'd)**

### Analysis of the Board diversity (Cont'd)

	BOARD DIVERSITY			
4	Age	40 – 49 50 – 59 60 – 69 Above 70	16.7% 50.0% 16.7% 16.6%	
5	Gender	Male Female	83.3% 16.7%	
6	Ethnicity	Malay/Bumiputera Chinese	16.7% 83.3%	

The Board acknowledges the importance of gender diversity within the Board and Senior Management. However, the Company also practices the selection of suitable candidates based on the candidates' knowledge, merit, qualification, competency and other qualities in meeting the needs of the organization.

### **Board and Board Committees Meetings**

In FY2025, the Directors have shown full commitment of their duties and responsibilities as reflected by their attendance at Board and Board Committees meetings. Their attendance of the Board and Board Committees meetings held during the financial year are detailed as follow:

Director	BOD	AC	NRC			
Independent Non-Executive Chairman						
Tan Sri Sulong	5/5	-	3/3			
Independent Non-Executive Director						
Mr. Stephen Wan	5/5	5/5	3/3			
Madam Debbie Choa	5/5	5/5	-			
Non-Independent Non-Executive Director						
Mr. Chung KM	5/5	5/5	3/3			
Non-Independent Executive Directors						
Dato' Sri Dr. Nick Low	5/5	-	-			
Datuk Wira Lim	5/5	-	-			
Number of Meetings Held	5	5	3			

### CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### **Continuous Professional Development**

Directors have continuously participated in various seminars, workshops, conferences and training programmes organised by various organizations as part of their continuous professional development. This is to keep themselves abreast with the current developments in the business environment as well as with the new statutory and regulatory requirements.

The following are the training programmes attended by Directors during the financial year:

Dates	Description of the training programme
Tan Sri Sulong	
5 – 6 June 2024	Institute of Corporate Directors Malaysia ("ICDM"); Mandatory Accreditation Programme Part II: Leading for Impact
9 August 2024	Majlis Peluncuran Garis Panduan Mengenai Pengurusan dan Tatakelola Badan Berkanun Persekutuan dan Wacana Badan Berkanun Persekutuan
18 December 2024	Empowering Digitalisation: Inspiring Connections Through AI & Citizen Science
Dato' Sri Dr. Nick Low	
11 – 14 April 2024	Reed Sinopham Exhibitions; The 89th China International Pharmaceutical Industry Exhibition
6 – 11 May 2024	Young Presidents Organisation ("YPO") & London Business School; YPO Leader & Entrepreneur Programme
12 – 13 Jun 2024	ICDM; Mandatory Accreditation Programme Part II: Leading for Impact
Datuk Wira Lim	
13 – 14 May 2024	ICDM; Mandatory Accreditation Programme Part II: Leading for Impact
14 – 26 February 2025	Bursa Malaysia Derivatives Berhad; The Price Outlook Conference & Exhibition (POC) 2025: 36th Palm & Lauric Price Outlook Conference & Exhibition
Mr. Stephen Wan	
17 May 2024	Moore Stephens Associates PLT ("Moore Stephens"); Audit Oversight Board Inspection Findings
17 May 2024	Moore Stephens; Audit Working Paper ("AWP") Update
3 September 2024	MIA; Valuation in Practice for Transactions and Reporting - Part 1 Valuation Fundamentals
10 September 2024	MIA; Valuation in Practice for Transactions and Reporting - Part 2 Valuation for Business Combination
26 September 2024	Moore Stephens; The 3Ps To Drive Success; Purpose, Passion & Price
30 September 2024	Moore Stephens; Malaysian Financial Reporting Standards ("MFRS") 136 Impairment of Assets
1 October 2024	<ul> <li>Moore Stephens;</li> <li>ISA 240 The Auditor's Responsibilities Relating to Fraud in An Audit of Financial Statements</li> <li>MFRS 15 Revenue from Contracts with Customers</li> </ul>
2 October 2024	<ul> <li>Moore Stephens;</li> <li>Audit Sampling &amp; Materiality</li> <li>This International Standard on Quality Management ("ISQM") 1</li> <li>Key Audit Matters</li> </ul>
3 October 2024	Moore Stephens;  Without Question by the Institute of Chartered Accountants in England and Wales ("ICAEW")  Presentation of Financial Statement  FAQ on Common Findings on AWP

### CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

**Continuous Professional Development (Cont'd)** 

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Dates	Description of the training programme
Mr. Stephen Wan (Cont'd)	
4 October 2024	Moore Stephens;  Updates on New Accounting Standards  MFRS 6 Financial Instrument  IT Related Topics – Data Analytics & Tools
21 - 22 October 2024	Moore Global; Partners Conference
5 – November 2024	MIA; Auditing of Inventories and Production Costs
8 November 2024	MIA; Capital Market Advisory Committee Meeting
8 November 2024	Moore Stephens; International Standard on Auditing ("ISA") 600 - Audit of Group Financial Statements
18 – 19 November 2024	Moore Global; APAC Regional Conference
27 November 2024	MIA; ISA 570 (Revised) On Going Concern Assessment & Evaluation
29 November 2024	MIA; Practical Implementation of Monitoring & Remediation Process for ISQM 1
10 December 2024	MIA; MFRS 15 & 16 Disclosures and Best Practices
11 December 2024	MIA; Audit Planning, Risk Assessment and Internal Control
16 December 2024	Moore Stephens; Updates on Observations 2024 by MICPA Financial Statements Review Committee ("FSRC")
28 March 2025	Moore Stephens;  • Purchase  • Inventory  • Going Concern
Mr. Chung KM	
9 May 2024	CPA Australia; Sustainability & Ethics
10 May 2024	CPA Australia; Firm Culture & Governance
19 November 2024	Securities Commission ("SC"); Audit Oversight Board ("AOB") Conversation with Audit Committees
16 December 2024	CPA Australia; Can You Use Al and Comply with Your Ethical Obligations?
17 December 2024	CPA Australia; Cyber Security and Board / Audit & Risk Committee Responsibility
17 January 2025	MFRS Updates 2024
Madam Debbie Choa	
8 May 2024	ICDM; Finance Essentials for Non-Finance Directors
13 – 14 May 2024	ICDM; Mandatory Accreditation Programme Part II: Leading for Impact
29 July 2024	Malaysia Bar Council; E-Invoicing
7 November 2024	Malaysia Indonesia Business Council; Expand Your Business in South-East Asia's Largest Economy
19 November 2024	SC; AOB Conversation with Audit Committees
27 November 2024	Malaysia Bar Council; Inaugural Malaysian Bar Environmental, Social & Governance ("ESG") Conference
14 January 2025	Entrepreneurs Organisation; Al Masterclass – Unlock the Power of Al for Your Business
27 March 2025	Lexis Nexis Legal & Professional; Al Certification Training – Unlocking the Formula to Prompt Writing

### CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### **Board Remuneration**

The Board recognises that a fair and competitive remuneration structure is imperative to attract and retain talent of appropriate calibre, skills, experience and quality required to drive the organisation's long-term success and sustainable growth. Director remuneration matters are under the purview of the NRC as guided by its TOR which is subject to annual review.

INEDs with extra responsibilities, such as chairing the Board and the AC receive additional fees. Remuneration is based on fixed annual fees and fixed meeting allowances. The annual directors' fees and benefits payable are reviewed each financial year and are subject to shareholders' approval at an AGM.

Following the annual review, the Board, upon the recommendation of the NRC, is recommending the framework below:

Remuneration Framework				
	Annual Fee	Allowance (Per Meeting)		
Chairman • Board • AC	142,500 142,500	1,600 1,600		
Board Member	95,000	800		

The details of the remuneration of the Directors of the Company, comprising received and receivables payable from the Company and its subsidiaries during FY2025 are as follows:

### **Company-Level**

Director	Remuneration ^	Fee RM	Meeting Allowance RM	BIK ^^ RM	Total RM
Independent Non-Executive Chair	man				
Tan Sri Sulong	-	135,000	14,400	-	149,400
Independent Non-Executive Directors					
Mr. Stephen Wan	-	135,000	14,400	-	149,400
Madam Debbie Choa	-	90,000	8,000	-	98,000
Non-Independent Non-Executive Director					
Mr. Chung KM	-	90,000	12,800	-	102,800
Non-Independent Executive Directors					
Dato' Sri Dr. Nick Low	773,400	90,000	11,000	88,128	962,528
Datuk Wira Lim	799,127	90,000	11,000	30,272	930,399

### CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### Company and its subsidiaries-Level

Director	Remuneration ^ RM	Fee RM	Meeting Allowance RM	BIK ^^ RM	Total RM
Independent Non-Executive Cha	irman				
Tan Sri Sulong	-	135,000	14,400	-	149,400
Independent Non-Executive Dire	ectors				
Mr. Stephen Wan	-	135,000	14,400	-	149,400
Madam Debbie Choa	-	90,000	8,000	-	98,000
Non-Independent Non-Executive Director					
Mr. Chung KM	-	90,000	12,800	-	102,800
Non-Independent Executive Directors					
Dato' Sri Dr. Nick Low	773,400	105,000	11,000	88,128	977,528
Datuk Wira Lim	799,127	144,396	11,000	30,272	984,795

<sup>^</sup> Base salary, annual bonus and EPF contributions

### **Senior Management Remuneration**

The Board is of the opinion that, given the confidentiality and sensitivity of the remuneration matters, the competition for talent in the industry and the importance of retaining the senior management in ensuring stability and continuity of the overall Company's businesses, it is in the best interests of the Company to disclose the aggregate remuneration for the top 5 senior management.

The top 5 senior management's remuneration (excluding MD and ED) of the Company and its subsidiaries in alphabetical order for FY2025 are as follows:

- Alex Chan Choon Hoong
- Cheong Kee Yoong
- Herry Mukiat
- Tan Suet Guan (Madam)
- Thevakumar Kaliaperumal

The aggregate remuneration of the top 5 senior management was RM3.44 million computed on an aggregate basis, taking into account the relevant personnel's salary, allowances, bonus, BIK, other emoluments and EPF contribution.

<sup>^^</sup> BIK is Benefits-in-kind ("BIK")

### CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### **Audit Committee**

The AC comprises two INEDs and one NINED, and is chaired by an INED who is a member of MIA as well as member of MICPA.

In May 2024, the NRC carried out an annual assessment and evaluation on the AC based on the criteria set by the NRC. In addition, the AC members had also conducted self and peer evaluation in the same month. The results of the assessment and evaluation, the NRC concluded that the AC members' contributions to the functioning of the AC to be satisfactory.

In the AC Report on pages 80 to 83 of the AR, the detailed roles and responsibilities as well as the summary of its work and activities carried out in the financial year are described.

### **Risk Management and Internal Control Framework**

The primary oversight responsibilities on risk management and internal control, including sustainability matters, are mandated by the Board to the AC. This is to ensure both the adequacy and integrity of the internal control systems and the existence of a sound framework for internal controls and risk management.

PricewaterhouseCoopers Risk Services Sdn. Bhd. ("PwC RS" or Internal Auditors") has been appointed as the internal auditor to assist the AC in the areas of risks and controls and relevant ad hoc assignments. Internally the AC is supported by SRAB at management level.

In this respect, the details of the Risk Management and Internal Control Framework are set out in the Statement on Risk Management and Internal Control on page 84 to page 87 of the AR 2025.

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONS WITH STAKEHOLDERS (CONT'D)

### **Communication with Stakeholders**

The Board ensures that its communication with its shareholders and other stakeholders is transparent, prompt and timely dissemination of quality information. This is to ensure impartial treatment of investors by promptly and equitably disseminating the Company's financial performance and position.

The current various channels of communications are as follow:

- announcements via Bursa LINK
- disclosures on the Company's website
- annual report of the Company
- AGMs

The Company also has a dedicated email address <u>kycheong@southernacids.com</u> which is listed on the Company's website, under Contact for Enquiries to which stakeholders can direct their queries and concerns.

### **Conduct of AGM**

The AGM serve as the principal forum for dialogue and interaction between the Company and its shareholders at which shareholders are informed and updated annually on the current developments of the Company and its subsidiaries.

The overview of the overall Company's financial performance, including its prospects and challenges are presented to the shareholders where the shareholders are encouraged to participate in the Questions and Answers session.

The Board members, senior management and the Company's External Auditors are present to respond to the shareholders' questions during the meeting. Valid suggestions and feedbacks given by the shareholders are duly noted by the Board for due consideration.

In line with Paragraph 8.29A of the Bursa Malaysia MMLR, all resolutions set out in the notice of AGM are voted by poll. In last year AGM, voting was carried out via e-polling whereby poll results were announced almost immediately and displayed on the screen after the e-polling was conducted by the poll administrator. Poll results were validated by the independent scrutineer.

This Corporate Governance Overview Statement was approved by the Board of SAB on 7 July 2025.

## COMMITTE

# AUDIT



### AUDIT COMMITTEE REPORT

The Board presents the Audit Committee Report ("AC Report") for FY2025 which in compliance with paragraph 15.15(1) of the Bursa Malaysia MMLR. The report provides insights into the manner in which the AC activities were carried out for the organization during the financial year.

### **Terms of Reference**

The primary functions of the AC are to assist the Board in fulfilling its fiduciary responsibilities and overall responsibilities in reviewing the adequacy and integrity of the Company's financial administration and reporting, as well as its risk management framework.

In discharging its responsibilities, the AC is guided by its TOR which can be viewed on the Company's website at www. southernacids.com.

### Composition

The AC comprises three members, including two INEDs and one NINED. The Chairman of the AC is not the Chairman of the Board. The AC is chaired by an INED who is a member of MIA and MICPA. Accordingly, the current AC composition complies with Paragraph 15.09(1)(a), (b) and (c) of the Bursa Malaysia MMLR as well as Practice 9.1 of the MCCG.

### **Meetings and Attendance**

A total of five meetings were held during the financial year. The attendance record of each the AC members is as follow:

Audit Committee	Attendance
Mr. Stephen Wan Independent Non-Executive Director Chairman	5/5
Mr. Chung KM Non-Independent Non-Executive Director Member	5/5
Madam Debbie Choa Independent Non-Executive Director Member	5/5

The Company Secretaries of the Company serve as the Secretary of the AC meetings, attending meetings and recording the proceedings. As and when required, the following persons are invited to the AC meetings for matters requiring their presentation, input and clarification:

- MD/ED
- CFO and other Senior Management
- Outsourced internal auditors
- External auditors
- Other consultants/relevant personnel

The AC Chairman reported to the Board the activities that it had undertaken during the financial year together with recommendations for the Board's deliberation and decision. Minutes of the AC meetings were recorded and tabled for confirmation and presented to the Board for notation subsequently.

### AUDIT COMMITTEE REPORT (CONT'D)

### **Summary of Activities**

The following activities were carried out during the financial year:

1 Financial Reporting	<ul> <li>Reviewed, deliberated and recommended the unaudited quarterly interim financial results including Bursa Malaysia announcements to the Board for approval</li> <li>Reviewed, deliberated and recommended the 2024 Annual Financial Report of the Company to the Board for approval</li> </ul>
Related Party Transaction ("RPT") and Conflict of Interest ("COI")	<ul> <li>Reviewed the related party and recurrent related party transactions ("RRPT") of the Company and its subsidiaries on quarterly basis</li> <li>Reviewed, deliberated and approved the Circular to Shareholders in relation to the Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature</li> <li>Reviewed, deliberated and approved the announcement on the RRPT entered into by the Company's subsidiary, PTMAS, with the related party, PT Mikroba Anugerah Perkasa where the actual value of the RRPT has exceeded the estimated RRPT value as disclosed in the RRPT Circular by more than 10%</li> </ul>
3 External Audit	<ul> <li>Presentation by the external auditors of the Company ("Deloitte PLT or External Auditors") on the following:         <ul> <li>a. The status update of the key findings and areas of audit focus and other audit matters for the annual audit of FY2024</li> <li>b. Audited financial statements for FY2024</li> <li>c. Professional Service Planning Memorandum for the annual audit of FY2025</li> </ul> </li> <li>Assessed and deliberated the suitability, objectivity and independence of Deloitte PLT together with their proposed audit fees and re-appointment to the Board for approval;</li> <li>Held private session with Deloitte PLT without the presence of management</li> </ul>
4 Internal Audit	<ul> <li>Presentation by PwC RS on the following:         <ul> <li>Internal audit report on ABAC together with recommendations for AC to consider</li> <li>Internal audit plan for FY2025 for AC deliberation and approval. Three cycles were proposed covering one cycle each for Healthcare Services, Oleochemical Manufacturing and the Company as well as the proposed internal audit fees for FY2025</li> <li>Internal audit report on Healthcare Services (covering user access management, inventory management and procurement reporting process) and Oleochemical Manufacturing (covering i-Control System which facilitate end-to-end sales process, sales fulfilment, approval procedure over contract deviation and authorization over procurement process)</li> <li>Internal audit report on the Company's Enterprise Risk Management ("ERM") Framework</li> </ul> </li> </ul>
5 Risk Management & Internal Control Systems	<ul> <li>Reviewed, deliberated and recommended the AC Report and Statement on Risk Management and Internal Control to the Board for approval for inclusion in the AR 2024</li> </ul>
6 Sustainability & Risk Matters	<ul> <li>Briefed on the ERM annual update</li> <li>Deliberate and approved the ERM policy and the setting up of SRAB at management level, to support the AC</li> <li>Briefed on the progress update on the Sustainability Reporting</li> <li>Briefed on the latest Cyber Security Bill 2024</li> <li>Presentation of ERM implementation plan for Oleochemical Manufacturing</li> </ul>
7 Others	<ul> <li>Briefed on the progress of the revised ABAC Policy</li> <li>Briefed on the progress of the due diligence forms as required under the CoCE</li> <li>Deliberated and approved the revised TOR of the AC</li> <li>Discussed and replied on an enquiry from a shareholder</li> <li>Update on Bursa Malaysia MMLR on Enhanced Sustainability Reporting Requirements</li> </ul>

### AUDIT COMMITTEE REPORT (CONT'D)

### **Internal Audit Function**

The Board has outsourced the internal audit function to PwC RS who will provide independent assurance on the adequacy and effectiveness of the Group's risk management, internal control and governance process implemented by the management to the AC.

PwC RS reports directly to the AC on a functional basis and to the MD administratively.

The internal audit was conducted based on PwC RS own internal audit methodology which takes into considerations of International Professional Practice Framework. PwC RS carried audits according to the annual internal audit plan approved by the AC.

The approach undertaken by PwC RS in carrying out the engagement were as follows:

- Planning discussions with management for business understanding and to identify focus area
- Identify and test selected controls within the focus area
- Develop recommendations in areas where improvements are required
- Conduct exit meeting and obtain management comments, proposed actions and implementation dates for the recommendations
- Presentation to the AC on the audit observations and recommendations

The total costs incurred by the Internal Auditor in discharging its function and responsibilities amounted to RM160,000 for FY2025.

The AC Report was approved by the Board on 7 July 2025.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL



### STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board is pleased to present our Statement on Risk Management and Internal Control ("SORMIC") for FY2025 which sets out the nature and principal features of the risk management and internal control of SAB and its subsidiaries.

This statement is in line with Paragraph 15.26 (b) of the Bursa Malaysia MMLR and is guided by the Principle B of the MCCG 2021 as well as the "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers" issued by Bursa Malaysia.

### **Board Responsibility**

The Board affirms its collective overall responsibility for the organisation's risk management and internal control systems. Under the current risk governance structure, the Board is supported by the AC, to fulfil its fiduciary duties and oversight functions whereas the AC is supported by PwC RS and at the management level, the SRAB.

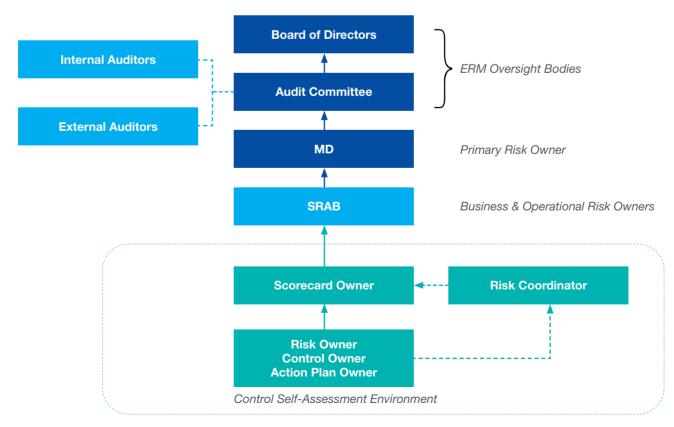
The risk management and internal control systems constitute the fundamental pillars of sound corporate governance and are implemented to safeguard shareholder investments, protect stakeholder interests and preserve the assets of SAB and its subsidiaries.

Due to inherent limitations in any system of internal control and risk management, the Board recognises that these frameworks are meant to systematically identify, manage, and mitigate risk exposures rather than to eliminate all risks. Hence, this system can only provide reasonable, but not absolute assurance against material misstatement of financial information, operational failures, financial losses or fraud.

The effectiveness of the internal controls was reviewed by the AC in relation to the audits carried out by PwC RS during the financial year. Findings, together with actions taken by the management to address the issues presented by PwC RS were deliberated on during the AC meetings.

The Board was subsequently briefed by the Chairman of the AC during the board meetings.

### **SAB's Risk Governance Structure**



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

### **Management's Responsibility**

At the management level, SRAB acts as the committee overseeing the overall risk management process across the organisation. SRAB is chaired by the MD and its members comprises of heads of Operational Business Units and selected second-line management.

The MD, ED, and Senior Management continue to demonstrate their strong commitment to Company's Enterprise Risk Managements via the Annual Statement on Continuous Commitment, which reflects best practices in corporate governance outlined in the MCCG. They are also responsible for implementing all policies and procedures approved by the Board in relation to internal controls and risk.

Control Self-Assessment (CSA) environment has been adopted by the management in implementing its risk management practices. Through CSA, department heads and the risk reporting team who are directly involved in their respective operational areas, divisions, functions, or processes are empowered to assess and identify risks at the operational level.

### Key Internal Control Processes of The Risk Management and Internal Control Frameworks

### 1. Authority and Responsibility

An organisational structure has been established to clearly outlines formal lines of responsibility and authorisation procedures serve as the framework to guide senior management in their operations and accountability.

### 2. Centralised Key Functions

In order to promote greater efficiency, manage costs effectively, and respond proactively to the evolving business environment, key functions have been centralised. These include finance, investment, treasury, corporate affairs, compliance, tender committee, procurement committee and human resources.

### 3. Operational Controls, Business Plan and Budget

As part of the operational controls, the following have been established:

- Defined level of authority for each level of management staff
- Approval processes for capital and operational expenditures
- Annual business planning and budgeting processes for respective business segment with periodic performance monitoring

### 4. Financial Reporting Controls

Financial statements are prepared on a regular basis, presented and reviewed at the respective management meetings whereas quarterly financial statements are presented reviewed and deliberated by the AC before recommending to the Board for approval.

### 5. Internal Audit

Our outsourced internal auditor, PwC RS carries out internal audits independently from management which provide assurance to the AC on the effectiveness in the area internal controls, risk management and governance processes.

PwC RS reports directly to the AC, offering insights and recommendations on weaknesses in internal processes. Where relevant, significant internal control findings are promptly escalated to the Board for deliberation and decision making.

### 6. External Audit

Deloitte PLT performs an evaluation of the design and implementation of the internal controls that are relevant to their annual audit. They may report and make recommendations to the AC and management on any identified procedures, controls and other aspects that need improvement.

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

### Key Internal Control Processes of The Risk Management and Internal Control Frameworks (cont'd)

### 7. Good Business Conduct

Continuous efforts have been made to cultivate a strong culture of integrity and ethical values as emphasised in the existing code and policies which also include training and briefing to employees. The established code and policies shall be observed by all Directors and employees as well as third parties whom have dealing with the Company.

Code and policies will be reviewed as and when necessary to ensure it stays relevant.

The Company views business ethics seriously. CoCE sets out the standards and principles of business conduct which include complying with all applicable prevailing laws and regulations for all Directors and employees as well as business associates of the organisation to observe. This CoCE has been enhanced in the areas of conflict of interest, environmental and social.

ABAC Policy aims to support good management and sound corporate governance practices within the organisation. It also outlines the guidelines on how to deal with improper bribery and corruption situation that may arise in the course of business

WB Policy provides an avenue for any person namely directors, employees and third party to report any incident of improper conduct as defined in the WB Policy against any directors and employees of the organisation. It also ensures that whistleblowers are protected from victimisation or discriminatory treatment when reporting any misconduct.

The CoCE, ABAC and WB Policy are available on the Company's website.

### **Review of the Statement by External Auditors**

Deloitte PLT has reviewed this SORMIC pursuant to Paragraph 15.23 of the Bursa Malaysia MMLR for FY2025 and the review was conducted in accordance with the Audit and Assurance Practice Guide ("AAPG") 3: Guidance for Auditors on Engagements to Report on the Statement included in the Annual Report issued by MIA.

Under the AAPG 3, Deloitte PLT is not required to consider whether the SORMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the overall risk management and internal control systems, including the assessment and opinion by the Board and management. Deloitte PLT is also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

Based on the review, Deloitte PLT has reported to the Board that nothing has come to their attention that would lead them to believe this statement has not been prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuer, or that the SORMIC is factually inaccurate.

### **Assurance To the Board**

The Board has received assurance from the MD and CFO that the Company's risk management and internal control system is functioning adequately and effectively in all material aspects based on the existing risk governance structure.

### Conclusion

The Board is of the opinion that the overall risk management and internal control systems are sound and adequate for the year under review and up to the date of this SORMIC, are adequate to provide reasonable assurance to safeguard the interests of shareholders and protect the Company's assets in all material aspects.

During the financial year, no major internal control issue was identified that may result in any uncertainty of material loss that would require separate disclosure in the AR.

The scope of this SORMIC excludes the risk management and internal control practices of the Company's material associate company.

This SORMIC was approved by the Board on 7 July 2025.

### ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

The information provided below is disclosed in compliance with the Bursa Malaysia MMLR:

### 1. Utilisation of Proceeds Raised from Corporate Proposals

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

### 2. Audit and Non-Audit Fees

The amount of audit and non-audit fees paid and payable to the External Auditors for FY2025 are as follows:

	Company (RM'000)	Group (RM'000)
Audit Fee	120	589
Non-audit Fee ^	10	10
Total	130	599

<sup>^</sup> Non-audit fee mainly for review of Statement on Risk Management and Internal Control

### 3. Material Contracts

There were no material contracts, other than those in the ordinary course of business, entered into by the Company and/or its subsidiaries involving interests of directors and/or major shareholders, either subsisting at the end of FY2025 or entered into since the end of the previous financial year.

### 4. Recurrent Related Party Transactions

At the 43<sup>rd</sup> AGM of the Company held on 26 August 2024, the Company obtained shareholders' mandate for the Company and its subsidiaries to enter RRPTs of revenue or trading nature ("Shareholders' Mandate") which are necessary for its day-to-day operations.

The Company will be seeking the Shareholders' Mandate for RRPTs at the forthcoming AGM to be held on 29 August 2025. The details of the Proposed Shareholders' Mandate are disclosed in the Circular to Shareholders dated 29 July 2025.

The aggregate value of RRPTs during the FY2025 is disclosed in Note 26 of the financial statements.



### STATEMENT OF DIRECTORS' RESPONSIBILITY FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the CA 2016 to prepare the financial statements for each financial year in accordance with applicable MFRS, International Financial Reporting Standards, and the requirements of the CA 2016 in Malaysia.

The Directors are responsible for ensuring that the financial statements give a true and fair view of the financial position, financial performance and cash flows of the Company and of its subsidiaries for the financial year.

In preparing the financial statements, the Directors have:

- Adopted appropriate and relevant accounting standards and policies, and applied consistently;
- Made judgements and estimates on reasonable and prudent basis; and
- Prepared the financial statements on a going concern basis.

The Directors are also responsible to ensure that the quarterly reports and annual audited financial statements are released to Bursa Malaysia in a timely manner, to keep the investing public informed of the Company's latest performance and developments.

The Directors are responsible to ensure that the Company and of its subsidiaries keep accounting records that disclose the financial position with reasonable accuracy, enabling them to ensure that the financial statements comply with the CA 2016.

The Directors are responsible for taking such steps as are reasonably available to them to safeguard the assets of the Company and of its subsidiaries, and to detect and prevent fraud and other irregularities.

### FINANCIAL STATEMENTS



### FINANCIAL STATEMENTS

### **OUR FINANCIAL PERFORMANCE 05**

### **OUR FINANCIAL PERFORMANCE**

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### DIRECTORS' REPORT

The Directors of **SOUTHERN ACIDS (M) BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2025.

### **PRINCIPAL ACTIVITIES**

The principal activities of the Company are that of investment holding and the provision of management services to the subsidiary companies.

The information on the name, place of incorporation, principal activities and percentage of issued share capital held by the Company in the subsidiary companies are disclosed in Note 16 to the financial statements.

### **RESULTS OF OPERATIONS**

The results of the Group and of the Company for the financial year are as follows:

	The Group RM'000	The Company RM'000
Profit before tax Income tax expense	72,263 (21,302)	18,139 -
Profit for the financial year	50,961	18,139
Attributable to: Equity holders of the Company Non-controlling interests	36,702 14,259	18,139 -
	50,961	18,139

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

### **DIVIDENDS**

Final dividend of 5 sen per share, single tier, amounting to RM6,846,707, proposed in the previous financial year and dealt with in the previous directors' report was paid on 11 November 2024.

In respect of the current financial year, the Directors have proposed a final dividend of 5 sen per share, single tier, amounting to RM6,846,707.

The proposed dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as liability in the financial statements. Upon approval by the shareholders, the dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 March 2026.

### **RESERVES AND PROVISIONS**

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

### **ISSUE OF SHARES AND DEBENTURES**

The Company has not issued any new shares or debentures during the financial year.

### **SHARE OPTIONS**

No options have been granted by the Company to any party during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

### OTHER STATUTORY INFORMATION

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

- 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 all known bad debts have been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value 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:

- (a) which would render the amount written off for 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 substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

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

- (a) 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 liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial year in which this report is made.

### DIRECTORS' REPORT (CONT'D)

### **DIRECTORS**

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

Tan Sri Datuk Seri Panglima Sulong Matjeraie Dato' Sri Dr. Low Kok Thye Datuk Wira Lim Kim Long Chung Kin Mun Stephen Wan Yeng Leong Deborah Deb-bie Choa

The Directors who held office in the subsidiaries of the Company during the financial year and up to the date of this report are:

Dato' Sri Dr. Low Kok Thye
Datuk Wira Lim Kim Long
Chan Choon Hoong
Cheong Kee Yoong
Dr. Sadasivam A/L Kandiah
Tiong Chuu Ling
Herry Mukiat
Low Swee Yim
Ng Kar Ngai (Appointed on 18 April 2025)

### **DIRECTORS' INTERESTS**

The interests in shares in Company of those who were Directors of the Company at the end of the financial year, according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016, are as follows:

		Number of ord	•	
	As at 1.4.2024	Acquired	Disposed	As at 31.3.2025
Shares in the Company				
Registered in name of the Directors				
Direct interest				
Dato' Sri Dr. Low Kok Thye	30,416	-	-	30,416
Datuk Wira Lim Kim Long	49,276	-	-	49,276
Indirect interest				
Dato' Sri Dr. Low Kok Thye*	65,690,337	-	-	65,690,337
Datuk Wira Lim Kim Long**	68,754,296	-	-	68,754,296

### Notes:

- \* By virtue of his interest in Dataran Dagang Asia Sdn. Bhd., Banting Hock Hin Estate Company Sdn. Bhd., Southern Realty (Malaya) Sdn. Bhd., Southern Hockjoo Plantation Sdn. Bhd., Naga Wira Sdn. Berhad, Bekalan Utama Sdn. Berhad, Southern Edible Oil Industries (M) Sdn. Berhad, Southern Palm Industries Sdn. Bhd., Eng Leong Holdings Sdn. Berhad and family members.
- By virtue of his interest in Dataran Dagang Asia Sdn. Bhd., Banting Hock Hin Estate Company Sdn. Bhd., Southern Realty (Malaya) Sdn. Bhd., Southern Hockjoo Plantation Sdn. Bhd., Naga Wira Sdn. Berhad, Bekalan Utama Sdn. Berhad, Southern Edible Oil Industries (M) Sdn. Berhad, Southern Palm Industries Sdn. Bhd., Lim Thye Peng Realty Sdn. Bhd. and family members.



### DIRECTORS' REPORT (CONT'D)

By virtue of their interest in the shares of the Company, the Directors above are also deemed to have an interest in the shares of the subsidiary companies to the extent that the Company has an interest.

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

### **DIRECTORS' BENEFITS**

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive a benefit (other than the benefits included in the aggregate of remuneration received or due and receivable by the Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the balances and transactions with companies in which certain Directors of the Company are also Directors and/or have substantial financial interests as disclosed in Note 26 to the financial statements.

Details of the Directors' remuneration are as follows:

	The Group RM'000	The Company RM'000
Salaries and other emoluments Contribution to EPF	3,939 221	2,193 118
	4,160	2,311

The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Group and the Company amounted to RM113,651 and RM81,327 respectively.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains Directors' and officers' liability insurance for purposes of Section 289 of the Companies Act, 2016, throughout the year, which provides appropriate insurance cover for the Directors and officers of the Company and its group of companies. The amount of insurance premium paid during the year amounted to RM14,752.

There was no indemnity given to or insurance effected for the auditors of the Company.

### SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Details of significant event during the financial year is disclosed in Note 46 to the financial statements.

### DIRECTORS' REPORT (CONT'D)

### **AUDITORS**

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

### **AUDITORS' REMUNERATION**

The amount paid/payable as remuneration of the auditors for the financial year ended 31 March 2025 are as follows:

	The Group RM'000	The Company RM'000
Statutory audit fee Non-statutory audit fee	578 166	120 166
	744	286

Signed on behalf of the Board, as approved by the Board in accordance with a resolution of the Directors,

DATO' SRI DR. LOW KOK THYE

DATUK WIRA LIM KIM LONG

Klang 7 July 2025

### INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SOUTHERN ACIDS (M) BERHAD (INCORPORATED IN MALAYSIA)

### **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of **SOUTHERN ACIDS (M) BERHAD**, which comprise the statements of financial position of the Group and of the Company as at 31 March 2025, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 101 to 184.

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 March 2025, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

### **Basis for Opinion**

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHERN ACIDS (M) BERHAD (INCORPORATED IN MALAYSIA) (CONT'D)

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Key Audit Matter**

### Impairment Assessment of Non-Financial Assets

At 31 March 2025, included in the oleochemical segment are property, plant and equipment and right-of-use asset, comprising a factory building, manufacturing plant and land ("assets") of a subsidiary, which are carried at RM20,933,583, representing their recoverable amount. These assets are located on land owned by a major shareholder of the Company, Southern Realty (Malaya) Sdn. Bhd. ("SRM").

SRM has agreed to extend the lease agreement to 31 March 2026 which is significantly shorter than the remaining useful lives of the assets located on the land which range from 1 to 44 years. The subsidiary intends to apply for a renewal of the lease agreement with SRM prior to its expiry on 31 March 2026. However, during the current financial year, the subsidiary incurred consecutive financial losses which raised potential impairment concerns over the carrying amount of its assets.

Management's assessment of the likelihood of renewing the lease agreement in the near future involves significant judgment, while the determination of the assets' recoverable amounts is subject to estimation uncertainty. If the lease is not renewed, management may need to assess whether the assets are impaired. Where the recoverable amount is less than the carrying amount, an impairment loss must be recognised.

The accounting policy for impairment of non-financial assets, the critical judgements involved in assessing the likelihood of renewal of the lease agreement which may have an impact on the carrying value of the property, plant and equipment and the key sources of estimation uncertainty involved in estimating the recoverable amount are set out in Note 3, Note 4(i)(a) and Note 4(ii)(e) to the financial statements respectively. The details of the property, plant and equipment and right-of-use assets have been disclosed in Note 13 and Note 14 to the financial statements respectively.

### How the Scope of our Audit Responded to the Key Audit Matter

We held discussions with the Directors of the Company to gain an understanding of the future plans of the subsidiary and likelihood of renewal of the lease agreement.

We examined the latest lease agreement and read all relevant correspondence between the subsidiary and SRM to identify matters, if any, that would adversely affect the future likelihood of renewal of the lease agreement.

We evaluated management's assessment of the renewal which includes the historical trend of the lease agreement being renewed.

We reviewed and evaluated the appropriateness of management's value in use model, including verifying the mathematical accuracy of the underlying calculations and assessing the basis for management's judgements and estimates.

We challenged the reasonableness of the key bases and assumptions underpinning the value in use model, such as the growth rates applied and the discount rate used.

We involved our internal valuation specialist in assessing the discount rate used by management in the value in use model.

We performed physical sighting on assets and assessed whether there is any evidence of obsolescence or physical damage of the property, plant and equipment.

We have also assessed the adequacy and appropriateness of the disclosures made in Note 3, Note 4(i)(a), Note 4(ii)(e), Note 13 and Note 14 to the financial statements.

We have determined that there are no key audit matters in the audit of the financial statements of the Company to communicate in our auditors' report.

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHERN ACIDS (M) BERHAD (INCORPORATED IN MALAYSIA) (CONT'D)

### Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report of the Group but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company,
  whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence
  that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement
  resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,
  misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and 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.

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHERN ACIDS (M) BERHAD (INCORPORATED IN MALAYSIA) (CONT'D)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of
  the entities or business units within the group as a basis for forming an opinion on the group financial statements. We
  are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We
  remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 16 to the financial statements.

### **Other Matter**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

DELOITTE PLT (LLP0010145-LCA) Chartered Accountants (AF 0080)

MURALI A/L SAMY Partner - 03377/06/2026 J Chartered Accountant



### STATEMENTS OF PROFIT OR LOSS

### AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

		The	e Group	The C	ompany
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	5	1,090,530	907,963	27,350	21,263
Interest income	6	15,479	12,257	2,031	543
Other operating income		22,820	32,233	90	69
Changes in inventories of finished goods		(0.545)	(500)		
and work-in-progress		(3,545)	(530)	=	-
Raw materials and consumables used	13	(861,963)	(731,495)	- (670)	- (EEA)
Depreciation of property, plant and equipment Depreciation of right-of-use assets	13	(24,722) (1,381)	(23,487) (1,377)	(672)	(554) (26)
Depreciation of investment properties	15	(1,381)	(1,377)	_	(20)
Directors' remuneration	7	(4,160)	(4,129)	(2,311)	(2,105)
Employee benefits expenses	8	(83,729)	(77,397)	(4,849)	(5,209)
Other operating expenses		(75,597)	(69,500)	(2,829)	(2,380)
Finance costs	9	(1,945)	(808)	(671)	*
Share of results of an associate company	17	515	(548)	-	-
Profit before tax	8	72,263	43,166	18,139	11,601
Income tax expense	10	(21,302)	(18,626)	-	-
Profit for the financial year		50,961	24,540	18,139	11,601
Profit for the financial year attributable to:					
Equity holders of the Company		36,702	13,634	18,139	11,601
Non-controlling interests	16	14,259	10,906	-	-
	,	50,961	24,540	18,139	11,601
Earnings per share (sen) attributable to equity holders of the Company					
Basic and diluted	11	26.80	9.96		
	'				

Less than RM1,000

### STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025 (CONT'D)

102

		The	Group	The C	Company
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit for the financial year		50,961	24,540	18,139	11,601
Other comprehensive (loss)/income: Items that may be reclassified subsequently to profit or loss: Foreign currency translation differences on foreign operation		(35,595)	2,697	-	-
Item that will not be reclassified subsequently to profit or loss: (Loss)/Profit arising from fair value changes in other investments Remeasurement of defined	18	(3,482)	12,770	(3,482)	12,770
benefit obligations, net of tax		(820)	246	(137)	-
		(39,897)	15,713	(3,619)	12,770
Total comprehensive income for the financial year, net of tax		11,064	40,253	14,520	24,371
Total comprehensive income attributable to:		7,000	07.062	14 500	04.071
Equity holders of the Company Non-controlling interests	16	7,020 4,044	27,963 12,290	14,520 -	24,371 -
, and the second		11,064	40,253	14,520	24,371



### STATEMENTS OF

### FINANCIAL POSITION

**AS AT 31 MARCH 2025** 

	Note	2025	ne Group 2024	2025	Company 2024
		RM'000	RM'000	RM'000	RM'000
ASSETS Non-Current Assets					
Land held for property development	12	139,868	139,868	_	_
Property, plant and equipment	13	205,623	209,633	4,902	4,175
Right-of-use assets	14	1,419	2,875	, <u>-</u>	, <u>-</u>
Investment properties	15	12,034	7,950	-	-
Investments in subsidiary companies	16	-	_	274,499	269,099
Investment in an associate company	17	-	1,889	, <u>-</u>	917
Other investments	18	38,120	42,032	38,120	42,032
Deferred tax assets	20	2,234	1,996	-	-
Total Non-Current Assets	_	399,298	406,243	317,521	316,223
Current Assets	_				
Biological assets	21	1,608	1,444	-	-
Inventories	22	84,631	77,286	-	-
Derivative financial assets	23	807	2,521	-	-
Trade receivables	24 & 26	48,225	61,938	-	-
Other receivables, deposits and prepaid					
expenses	25 & 26	70,096	56,480	4,276	950
Amount owing by subsidiary companies	26	-	-	1,838	1,531
Amount owing by an associate company	27	2,095	864	67	57
Tax recoverable		13,318	15,145	-	-
Cash and cash equivalents	28	385,423	397,022	16,710	19,895
		606,203	612,700	22,891	22,433
Asset classified as held for sale	29	2,404	-	917	-
Total Current Assets	-	608,607	612,700	23,808	22,433
TOTAL ASSETS	-	1,007,905	1,018,943	341,329	338,656
	-				

### STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2025 (CONT'D)

104

	Note	TI 2025 RM'000	he Group 2024 RM'000	The 0 2025 RM'000	Company 2024 RM'000
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	30	171,255	171,255	171,255	171,255
Reserves	31	608,488	608,315	153,798	146,125
Equity attributable to equity holders of					
the Company		779,743	779,570	325,053	317,380
Non-controlling interests	16	103,172	99,128	-	-
Total Equity	-	882,915	878,698	325,053	317,380
Non-Current and Deferred Liabilities	_				
Hire purchase payables	33	881	368	-	-
Lease liabilities	34	385	1,720	=	-
Provision for retirement benefits	35	16,182	15,247	1,768	1,426
Other payables	36	7,850	13,000	7,850	13,000
Payables for KKPA Program	19	692	1,382	-	-
Deferred tax liabilities	20	6,273	5,871	-	-
Total Non-Current and Deferred	_				
Liabilities		32,263	37,588	9,618	14,426
Current Liabilities	_				
Trade payables	26 & 36	29,622	31,609	-	-
Other payables and accrued expenses	36	32,926	37,520	6,542	6,778
Amount owing to subsidiary companies	26	-	-	116	72
Contract liabilities	37	8,634	6,427	-	-
Derivative financial liabilities	23	37	1,428	-	-
Loans and borrowings	32	15,000	20,900	-	-
Hire purchase payables	33	858	406	=	-
Lease liabilities	34	1,421	1,421	=	-
Tax liabilities	_	4,229	2,946	-	
Total Current Liabilities		92,727	102,657	6,658	6,850
Total Liabilities	_	124,990	140,245	16,276	21,276
TOTAL EQUITY AND LIABILITIES	_ _	1,007,905	1,018,943	341,329	338,656



### STATEMENTS OF

### CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

			<ul><li>Attributab</li><li>← No.</li></ul>	rtable to equity hol Non-distributable	ders of t	he Company — Distributable			
The Group	Note	Share capital RM'000	Foreign exchange reserve RM'000	Other reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
As at 1 April 2023		171,255	(10,452)	(322)	3,113	591,333	754,927	115,682	870,609
Profit for the financial year Other comprehensive income		1 1	1,387	1 1	12,770	13,634	13,634 14,329	10,906 1,384	24,540 15,713
Total comprehensive income for the financial year		1	1,387	1	12,770	13,806	27,963	12,290	40,253
equity instruments Dividends paid	39	1 1	1 1	1 1	(223)	223 (6,847)	_ (6,847)	1 1	- (6,847)
controlling interests		1	ı	ı	ı	ı	ı	(1,817)	(1,817)
Acquisition of non-controlling interest		1	ı	ı	ı	3,527	3,527	(27,027)	(23,500)
As at 31 March 2024		171,255	(9,065)	(322)	15,660	602,042	779,570	99,128	878,698
As at 1 April 2024		171,255	(9,065)	(322)	15,660	602,042	779,570	99,128	878,698
Profit for the financial year Other comprehensive income		1 1	_ (24,913)		(3,482)	36,702 (1,287)	36,702 (29,682)	14,259 (10,215)	50,961 (39,897)
Total comprehensive income for the financial year Dividends paid	39		(24,913)	1 1	(3,482)	35,415 (6,847)	7,020 (6,847)	4,044	11,064 (6,847)
As at 31 March 2025		171,255	(33,978)	(322)	12,178	630,610	779,743	103,172	882,915

### STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025 (CONT'D)

106

The Company	Note	Share capital RM'000	Non- distributable Fair value reserve RM'000	Distributable Retained earnings RM'000	Total equity RM'000
As at 1 April 2023		171,255	3,113	125,488	299,856
Profit for the financial year Other comprehensive income			- 12,770	11,601	11,601 12,770
Total comprehensive income for the financial year Realisation on fair value of equity		-	12,770	11,601	24,371
instruments Dividends paid	39	-	(223)	223 (6,847)	(6,847)
As at 31 March 2024		171,255	15,660	130,465	317,380
As at 1 April 2024		171,255	15,660	130,465	317,380
Profit for the financial year Other comprehensive income			(3,482)	18,139 (137)	18,139 (3,619)
Total comprehensive income for the financial year Dividends paid	39		(3,482)	18,002 (6,847)	14,520 (6,847)
As at 31 March 2025		171,255	12,178	141,620	325,053



### STATEMENTS OF

### **CASH FLOWS**

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM/(USED IN) OPERATING				
ACTIVITIES				
Profit before tax	72,263	43,166	18,139	11,601
Adjustments for:				
Depreciation of property, plant and equipment	24,722	23,487	672	554
Depreciation of right-of-use assets	1,381	1,377	-	26
Depreciation of investment properties	39	16	-	-
Unrealised loss on foreign exchange	1,241	60	-	-
Provision for retirement benefits	2,071	242	205	146
Net fair value change in biological assets	(305)	538	-	-
Loss on disposal of property, plant and equipment	1	121	-	-
Impairment losses on trade receivables	-	970	-	-
Impairment loss on property, plant and equipment	7,710	-	=	-
Impairment loss on right-of-use assets	260	-	=	-
Gain on lease modification	(39)	-	=	-
Reversal of impairment losses on trade receivable				
no longer required	(53)	-	=	-
Other investment written off	430	-	430	-
Inventories written off	38	18	-	-
Reversal of write-down of inventories	(717)	(2,733)	-	-
Finance costs	1,945	808	671	*
Property, plant and equipment written off	1,075	978	2	-
Share of results of an associate company	(515)	548	-	-
Waiver of specialist fee	(12)	(8)	-	-
Changes in fair value of derivatives	323	(1,321)		-
Dividend income	(2,823)	(3,125)	(20,835)	(15,137)
Interest income	(15,479)	(12,257)	(2,031)	(543)
On south as Booff //Lana > Boffara Manking				
Operating Profit/(Loss) Before Working	00.550	FO 00F	(0.7.47)	(0.050)
Capital Changes	93,556	52,885	(2,747)	(3,353)
(Increase)/Decrease in:				
(Increase)/Decrease in: Inventories	(0.000)	14 006		
Trade receivables	(8,809)	14,826	-	-
	12,525	(6,522)	-	-
Other receivables, deposits and prepaid	(17.060)	(4.202)	(2 226)	(512)
expenses  Amount owing by subsidiary companies	(17,960)	(4,203)	(3,326) (307)	(513)
Amount owing by an associate company	(1,231)	60	(307)	(67) 24
Amount owing by an associate company	(1,231)	00	(10)	24
Increase/(Decrease) in:				
Trade payables	(208)	7,917	_	_
Other payables and accrued expenses	(8,364)	(4,162)	(4,736)	281
Amount owing to subsidiary companies	(0,004)	(4,102)	( <del>-</del> ,750) 44	(13)
Contract liabilities	2,664	(1,136)	-	(13)
Oontract habilities		(1,100)	<del>-</del>	
Cash Generated From/(Used In) Operations	72,173	59,665	(11,082)	(3,641)
Retirement benefits paid	(851)	(663)	(11,002)	(60)
Income tax refunded	275	1,851	_	-
Income tax paid	(20,349)	(32,873)	_	_
	(=0,0 ·0)	(0=,0.0)		
Net Cash From/(Used In) Operating Activities	51,248	27,980	(11,082)	(3,701)
, , , , , , , , , , , , , , , , , , , ,		,	. , ,	.,, -,

<sup>\*</sup> Less than RM1,000

# STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025 (CONT'D)

108

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES				
Interest income received	14,158	12,257	710	543
Dividends received	2,823	3,125	20,835	15,137
Proceeds from disposal of property, plant and equipment	16	65	-	-
Additions to investment properties	(4,123)	(2,949)	-	-
Additions to other investments	-	(6,000)	- (E 400)	2 (6.000)
Additional investment in subsidiary companies Proceeds from disposal of quoted warrants	=	(6,000) 223	(5,400)	(6,000) 223
Withdrawal/(Placement) of fixed deposit with	-	223	-	223
maturities in excess of three months	_	(447)	-	_
Additions to property, plant and equipment [Note (i)]	(38,583)	(33,877)	(1,401)	(395)
(Additions to)/Amount recovered for KKPA program	(578)	1,181	-	-
Net Cash (Used In)/From Investing Activities	(26,287)	(26,420)	14,744	9,510
3		( -, -,	,	
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES				
(Repayment)/Drawdown of loans and borrowings - net	(5,900)	18,800	-	-
Repayment of hire purchase payables	(795)	(607)	-	-
Repayment of lease liabilities	(1,420)	(1,372)	-	(26)
Dividend paid by:		(4.047)		
- Subsidiary companies to non-controlling interests	- (C 0.47)	(1,817)	- (C 0.47)	(0.047)
- The Company Finance costs paid	(6,847) (1,274)	(6,847) (808)	(6,847)	(6,847)
Finance costs paid	(1,274)	(808)		
Net Cash (Used In)/From Financing Activities	(16,236)	7,349	(6,847)	(6,873)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	8,725	8,909	(3,185)	(1,064)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	396,575	385,581	19,895	20,959
EFFECT OF TRANSLATION DIFFERENCES	(20,279)	2,085	-	-
CASH AND CASH EQUIVALENTS AT END				
OF THE FINANCIAL YEAR (NOTE 28)	385,021	396,575	16,710	19,895

#### Note (i): Additions to property, plant and equipment

During the financial year, the Group and the Company acquired property, plant and equipment by the following means:

	The	The Group		Company
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Hire purchase Cash payments	1,890 38,583	536 33,877	- 1,401	- 395
	40,473	34,413	1,401	395
	<u></u>			

# NOTES TO THE FINANCIAL STATEMENTS

#### 1. GENERAL INFORMATION

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

The principal activities of the Company are that of investment holding and the provision of management services to the subsidiary companies.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the Company in the subsidiary companies are disclosed in Note 16.

The registered office of the Company is located at 9, Jalan Bayu Tinggi 2A/KS6, Taipan 2, Batu Unjur, 41200 Klang, Selangor Darul Ehsan, Malaysia.

The principal place of business of the Company is located at Level 29, Centro Tower, No. 8, Jalan Batu Tiga Lama, 41300 Klang, Selangor Darul Ehsan, Malaysia.

The financial statements of the Group and of the Company have been approved by the Board of Directors and were authorised for issuance on 7 July 2025.

#### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The financial statements are presented in Ringgit Malaysia ("RM") which represents the functional currency of the Group and of the Company and all financial information presented in RM are rounded to the nearest thousand ("RM'000"), unless otherwise stated.

#### **Application of Amendments to Malaysian Financial Reporting Standards**

In the current financial year, the Group and the Company have adopted all amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are effective for annual periods beginning on or after 1 April 2024.

Amendments to:

MFRS 16 Lease Liability in a Sale and Leaseback

MFRS 101 Classification of Liabilities as Current or Non-current

MFRS 101 Non-current Liabilities with Covenants MFRS 107 and MFRS 7 Supplier Finance Arrangements

The adoption of these amendments to MFRSs did not result in significant changes in the accounting policies of the Group and of the Company and has no significant effect on the financial performance or position of the Group and of the Company.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

#### New Standards and Amendments to MFRSs in Issue But Not Yet Effective

At the date of authorisation for issue of these financial statements, the new standards and amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

MFRS 18 Presentation and Disclosure in Financial Statements<sup>3</sup> MFRS 19 Subsidiaries without Public Accountability Disclosures<sup>3</sup>

Lack of Exchangeability<sup>1</sup>

Amendments to:

MFRS 121

MFRS 1. MFRS 7. MFRS 9.

MFRS 10 and MFRS 107 Annual Improvement to MFRS Standards - Volume 11<sup>2</sup>

MFRS 9 and MFRS 7

Amendments to the Classification and Measurement of Financial Instruments<sup>2</sup>

MFRS 9 and MFRS 7 Contracts Referencing Nature-dependent Electricity<sup>2</sup>

MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>4</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2025, with earlier application permitted.
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.
- <sup>3</sup> Effective for annual periods beginning on or after 1 January 2027, with earlier application permitted.
- <sup>4</sup> Effective date deferred a date to be determined and announced by MASB.

The Directors anticipate that the abovementioned new standards and amendments to MFRSs will be adopted in the annual financial statements of the Group and the Company when they become effective. The adoption of these new standards and amendments to MFRSs may have an impact on the financial statements of the Group and the Company in the period of initial application. However, it is not practicable to provide a reasonable estimate of these effect of the adoption of the said new standards and amendments to MFRSs until the Group and the Company undertake a detailed review.

#### 3. MATERIAL ACCOUNTING POLICIES

#### **Basis of Accounting**

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2 Share-based Payment, leasing transactions that are within the scope of MFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 Inventories or value in use in MFRS 136 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

The material accounting policies adopted are set out below.

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### Subsidiaries and Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company has the power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its return.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Company and to the non-controlling interests. Total comprehensive income of subsidiary companies is attributed to the equity holders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiary companies that do not result in the Group losing control 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 subsidiary companies. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to equity holders of the Company.

#### **Investments in Subsidiary Companies**

Investments in subsidiary companies, which are eliminated on consolidation, is stated at cost less any impairment losses in the Company's separate financial statements. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

#### Revenue

Revenue of the Company consists of dividend income and management fees through provision of group services.

Revenue of the Group consists mainly of sales of goods, medical charges for services rendered in connection with hospital operations, income from plantation, income from administrative services, provision of warehousing and port cargo handling services, dividend income, rental income and interest income.

The Group determines whether it is acting as a principal or an agent, and concluded that it is acting as an agent in its revenue arrangement for consultation charges for services rendered in connection with hospital operations.

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct good or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties such as sales and service taxes or value-added tax. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### Revenue (cont'd)

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (ii) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (iii) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

Revenue is recognised on the following basis:

Sales of goods - upon delivery of products and customer acceptance and when the control over the goods have passed to the buyer at gross invoiced value of sales less returns and discounts.

Services rendered in connection with management fees through provision of group services, hospital operations, administrative services and port cargo handling services - when services are rendered.

Services rendered in provision of warehousing - on a time basis, based on the days of storage and applicable rate of rental.

Dividend income - when the shareholder's right to receive payment is established.

Rental income - over the tenure of the rental period of properties.

Interest income - on an accrual basis, by reference to the principal outstanding and at the effective interest rate.

#### **Contract Liabilities**

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. Contract liability is recognised as revenue when the Group performs its obligation under the contracts.

#### **Foreign Currencies**

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in RM, which is the functional currency of the Company and the presentation currency for the financial statements of the Group.

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period.

For the purpose of presenting financial statements of the Group, the assets and liabilities of the Group's foreign operations are expressed in RM using exchange rates prevailing on that date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and recognised in the Group's foreign currency translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### **Employee Benefits**

(i) Short-term employee benefits

Wages, salaries, bonuses, annual leave and non-monetary benefits are accrued in the period in which the associated services are rendered by the employees of the Group and of the Company.

- (ii) Post-employment benefits
  - (a) Defined contribution plan

The Group and the Company contribute to Employees Provident Fund ("EPF"), the national defined contribution plan. The contributions are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations. The contributions to EPF are included under employee benefits expenses in Note 8.

- (b) Defined benefit plans
  - (i) Malaysia

The Company and its subsidiary companies operate an unfunded defined retirement benefit scheme for its eligible employees. An actuarial valuation carried out by a qualified actuary using the "Projected Unit Credit" method was undertaken on 31 March 2025, and the valuation covers the financial years ended 31 March 2025 to 31 March 2028.

(ii) Indonesia

The Group's subsidiary companies in Indonesia provide for employee benefit liabilities in accordance with the labour law requirements in that country where the amount of benefits that employees have earned in return for their services in the current and prior years is estimated. Provision for retirement benefits is made based on an actuarial valuation carried out by a qualified actuary using the "Projected Unit Credit" method. The latest actuarial valuation was undertaken on 31 March 2025.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statements of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified subsequently to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- (ii) Net interest expense or income; and
- (iii) Remeasurement

The Group and the Company present the first two components of defined benefit costs in profit or loss in employee benefits expenses.

The retirement benefit obligation recognised in the statements of financial position represents the actual deficit or surplus in the Group's and the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds and reductions in future contributions to the plan.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### **Land Held for Property Development**

Land held for property development is classified as non-current asset and is stated at lower of cost and net realisable value. Land held for property development consists of land where no significant development activities have been undertaken or where development activities are not expected to be completed within the normal operating cycle.

Cost includes cost of land, professional fees and other direct development expenditure and related overheads. Land held for property development is reclassified as property development costs at the point when development works have been undertaken and where it can be demonstrated that the development activities are expected to be completed within the normal operating cycle.

#### **Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation of property, plant and equipment, other than freehold land and construction-in-progress which are not depreciated, is computed on the straight-line method at rates based on their estimated useful lives. The principal annual rates used are as follows:

Leasehold land	Over the lease period of 35 years
Freehold office	2%
Factory buildings	2% - 10%
,	_,,
Palm oil mills	5% - 25%
Hospital building	2%
Medical equipment	10% - 15%
Plant, machinery, equipment and electrical installation	7.5% - 25%
Motor vehicles	10% - 25%
Office equipment, furniture and fittings	10% - 25%
Staff quarters cum office block	5% - 25%
Land improvements	5%
Renovation	10%
Bearer plants	5%

At the end of each reporting period, the residual values, useful lives and depreciation method of the property, plant and equipment are reviewed, and the effects of any change in estimates are recognised prospectively.

Gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in the statements of profit or loss and other comprehensive income.

Bearer plants are living plants that are used in the production or supply of agricultural produce, which are expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Bearer plants (oil palm trees) include mature plantations (fresh fruit bunches), immature plantations and nursery that are established or acquired by the Group.

Mature plantations are stated at cost, less accumulated depreciation and any impairment losses where the recoverable amount of the asset is estimated to be lower than its carrying amount. Depreciation is charged so as to write off the cost of mature plantations, using the straight-line method, over the estimated useful lives of 20 years.

Costs incurred in the preparation of the nursery, purchase of seedlings and their maintenance are stated at cost. The accumulated costs will be transferred to immature plantations account at the time of planting.

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### Property, Plant and Equipment (cont'd)

Immature plantations are stated at cost. The costs of immature plantations consist mainly of the accumulated cost of planting, fertilising and maintaining the plantation, including borrowing costs on such borrowings and other indirect overhead costs up to the time the trees are harvestable and to the extent appropriate. An oil palm plantation is considered mature when such plantation starts to produce at the beginning of the fourth year.

Bearer plants are derecognised upon disposal or when no future economic benefits are expected from its use or disposed. Any gains or losses on disposal of bearer plants are recognised in the statements of profit or loss and other comprehensive income in the year of disposal.

The residual values and useful lives of bearer plants are reviewed, and adjusted as appropriate, at the end of each reporting period.

#### **Investment Properties**

Investment properties are properties which is held either to earn rental income or for capital appreciation or for both. Investment property, which consists of freehold land and housing accommodations under construction, is stated at cost less impairment losses, if any.

Depreciation of housing accommodations under construction commences when they are ready for their intended use. One and a half storey semi-detached house is depreciated on a straight-line basis to write off the cost over its estimated useful life at a principal annual rate of 2% per annum.

#### **Biological Assets**

Biological assets comprise of produce growing on bearer plants. Produce growing on bearer plants are accounted for as biological assets until the point of harvest. Biological assets are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell.

Changes in fair value of growing produce on bearer plants are recognised in the statements of profit or loss and other comprehensive income. Fair value is determined based on the present value of expected net cash flows from the biological assets. The expected cash flows are estimated using the expected output method and the estimated market price of the biological assets.

Biological assets are classified as current assets for bearer plants that are expected to be harvested on a date not more than 12 months after the reporting date, and the balance are classified as non-current.

At the time of harvest, produces are measured at fair value less costs to sell and transferred to inventories.

#### Investment in an Associate

An associate is an entity over 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.

The results and assets and liabilities of an associate are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### Investment in an Associate (cont'd)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group discontinues the use of equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with MFRS 9 *Financial Instruments*.

The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if the associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate is disposed of.

The requirements of MFRS 136 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with MFRS 136 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with MFRS 136 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the consolidated financial statements only to the extent of the Group's interest in the associate or joint venture that is not related to the Group.

#### **Impairment of Non-Financial Assets**

The carrying amounts of assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is written down to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### **Advances for KKPA Program**

Advances for Kredit Koperasi Primer untuk Anggotanya ("KKPA") program in respect of another subsidiary company in Indonesia, as further explained in Note 19, represent the accumulated costs to develop plasma plantations measuring 500 hectares out of total land required to be developed of 500 hectares of land which are self-financed by the said subsidiary company. Upon the Cooperative obtaining KKPA financing from the creditor bank, the said advances will be recovered from it.

An estimate is made at the end of each reporting period for losses on recovery of KKPA program based on a review of the recoverable development costs, and anticipated losses are provided for in full. In the event the planting development costs incurred exceeds the estimated agreed price during harvest time, an allowance for losses on conversion will be made on the advances extended and will be charged to profit or loss.

#### **Inventories**

Inventories are stated at the lower of cost (determined on the weighted average method) and net realisable value.

The costs of raw materials, medical and surgical supplies, spare parts and other supplies comprise the original purchase price plus the costs in bringing these inventories to their present location and condition. The costs of finished goods and work-in-progress include the cost of raw materials, direct labour and an appropriate allocation of direct manufacturing overheads.

The cost of fresh fruit bunches ("FFB") transferred from biological assets is its fair value less costs to sell at the date of harvest.

Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

#### **Financial Instruments**

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

Where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, such financial assets are recognised and derecognised on trade date.

Financial instruments are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss ("FVTPL"), which are initially measured at fair value.

#### **Financial Assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets are classified as subsequently measured at amortised cost, FVTPL or fair value through other comprehensive income ("FVTOCI"). The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### Financial Assets (cont'd)

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

#### (i) Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statements of profit or loss and other comprehensive income.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income from financial assets is recognised on an effective interest method for debt instruments other than those financial assets classified as FVTPL.

#### (ii) Financial assets at FVTPL

Financial assets that do not meet the amortised cost criteria or the FVTOCI criteria are measured at FVTPL. In addition, financial assets that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in the statements of profit or loss and other comprehensive income.

#### (iii) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss will not be reclassified subsequently to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with MFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### Financial Assets (cont'd)

#### Impairment of financial assets

The Group and the Company recognise a loss allowance for expected credit losses ("ECL") on all trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group and the Company recognise lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

#### Derecognition of financial assets

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the consideration received and receivable is recognised in profit or loss, except for the derecognition of an investment in equity instruments measured at FVTOCI, the cumulative gain or loss is transferred within equity, not recognised in profit or loss.

#### **Financial Liabilities and Equity Instruments**

#### Classification as debt or equity

Financial liabilities and equity instruments issued by the Group and the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of direct attributable transactions costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

#### Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### Financial Liabilities and Equity Instruments (cont'd)

#### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group and the Company manage together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the statements of profit or loss and other comprehensive income.

#### Other financial liabilities

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or a shorter period, to the net carrying amount on initial recognition.

#### Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group's and Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

#### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as FVTPL, are subsequently measured at the higher of:

- The amount of the obligation under the contract, as determined in accordance to MFRS 9; and
- The amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

#### **Derivative Financial Instruments**

The Group and the Company enter into derivatives, namely foreign currency forward contracts and commodity future contracts, to manage foreign currency exposures and adverse price movements in commodities as a result of receipts in foreign currency and purchase of commodities.

Derivatives are initially recognised at their fair values at the date the derivative contract is entered into and are subsequently re-measured to their fair values at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss depends on nature of the hedge relationship.

Derivatives with a positive fair value are recognised as a financial asset; and derivatives with a negative fair value are recognised as a financial liability.

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### **Segment Reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

#### (i) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, the Directors are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements except as disclosed below:

#### Impairment of property, plant and equipment

As referred to in Note 13:

- (a) The lease agreement for rental by a subsidiary company, Southern Acids Industries Sdn. Bhd. ("SAI"), of a parcel of land belonging to Southern Realty (Malaya) Sdn. Bhd. ("SRM") where the factory building and oleochemical plant of SAI are located is expiring on 31 March 2026, which is significantly shorter than the useful lives of the property, plant and equipment on the land. Pursuant to the said lease agreement, SAI intends to apply for a renewal of the lease agreement with SRM upon its expiry. Based on past experience of successful renewal of the lease agreement and since SRM is a major shareholder of the Company, the Directors of the subsidiary company are confident that the said lease agreement will be successfully renewed upon its expiry on 31 March 2026.
- (b) On 31 October 1995, NISB, a subsidiary company, entered into a Sale and Purchase Agreement ("SPA") with SRM, a major shareholder of the Company, to purchase several parcels of freehold land, where the hospital building is constructed, at a total purchase consideration of RM4,950,000. The said purchase consideration had been fully settled since 4 November 2000. In view of the delay in transferring the land title by SRM, NISB had since year 2010, lodged a caveat to protect its interest on the land. The Directors of NISB are confident that the land title will eventually be transferred as NISB had fully satisfied all the conditions as stipulated in the said agreement. Accordingly, the Directors of NISB believe that no impairment loss needs to be considered on the private hospital building with carrying amount of RM15,627,547 (2024: RM20,420,446), which is constructed on the said land.

#### (ii) Key sources of estimation uncertainty

The Directors believe that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except as disclosed below:

#### (a) Calculation for loss allowance

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss ("ECLs"). The ECLs on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group writes off trade receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

#### (ii) Key sources of estimation uncertainty (cont'd)

#### (a) Calculation for loss allowance (cont'd)

As at the end of the reporting period, impairment losses on trade receivables provided by the Group are as follows:

	The Group		
	2025 RM'000	2024 RM'000	
Trade receivables	2,114	2,211	

#### (b) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with future tax planning strategies.

As at the end of the reporting period, the total carrying amount of deferred tax assets recognised by the Group are as follows:

	Т	he Group
	2025	2024
	RM'000	RM'000
Deferred tax assets	2,234	1,996

#### (c) Impairment loss on investments in subsidiary companies

Determining whether the investments in subsidiary companies are impaired requires an estimation of the recoverable amount of the investment. Management exercises its judgement in estimating the recoverable amounts of these investments. As at the end of the reporting period, the Company has recognised impairment losses as follows:

	The Group	
	2025	2024
	RM'000	RM'000
Impairment losses on investments in subsidiary companies	7,742	7,742

#### (d) Provision for retirement benefits

The Group makes contribution to a defined benefit plan that provides pension for eligible employees of the Group. The amount is determined based on the years of service and salaries of the employees at the time of pension. Due to the long-term nature of the defined benefit plan, such estimates are subject to significant uncertainty. The levels of future contributions to the plan which are used to assess this limit is subject to some uncertainty due to other assumptions which requires the Director's best estimate.

The carrying amount of provision for retirement benefits is disclosed in Note 35.



The Group

### NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

#### (ii) Key sources of estimation uncertainty (cont'd)

#### (e) Impairment of non-financial assets

In assessing indicators for impairment, the Directors have identified the oleochemical plant as a cash generating unit. The Group carries out impairment assessment based on value in use of the cash generating unit, which comprises property, plant and equipment and right-of-use assets. When value in use calculations are undertaken, the Directors are required to estimate the expected future cash flows from the cash generating unit and select an appropriate discount rate to determine the present value of those cash flows. The preparation of the cash flow projections involves significant judgement and estimation. While the Directors believe the assumptions used are appropriate and reasonable, significant changes in those assumptions could materially affect the recoverable amount and may lead to future impairment charges.

The impairment losses on property, plant and equipment and right of use assets are disclosed in Note 13 and Note 14 respectively.

As at the end of the reporting period, impairment losses on non-financial assets provided by the Group are as follows:

	ine	Group
	2025 RM'000	2024 RM'000
Property, plant and equipment Right-of-use assets	7,710 260	-
	7,970	-

#### 5. REVENUE

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers:				
Sale of plantation products and produces	945,602	769,400	_	_
Healthcare services	122,539	117,959	_	_
Warehousing and bulk conveyor operations	8,558	7,009	_	_
Administrative services fees	10,770	10,167	-	_
Management fees	238	303	6,515	6,126
	1,087,707	904,838	6,515	6,126
Revenue from other sources:				
Dividend income	2,823	3,125	20,835	15,137
	1,090,530	907,963	27,350	21,263
Timing of revenue recognition for revenue from contract with customers:	-			
Point in time	1,076,699	894,368	-	_
Over time	11,008	10,470	6,515	6,126
	1,087,707	904,838	6,515	6,126

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 6. INTEREST INCOME

	The Group		The C	Company
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest income on fixed deposits and short-term placements	14,158	12,257	710	543
Accretion of interest on other payables	1,321	-	1,321	-
	15,479	12,257	2,031	543
		•		

#### 7. DIRECTORS' REMUNERATION

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors of the Company				
Executive Directors:				
Fees	180	180	180	180
Other emoluments	1,513	1,293	1,513	1,293
Contributions to EPF	118	152	118	152
Non-executive Directors:	1,811	1,625	1,811	1,625
Fees	450	428	450	428
Other emoluments	50	52	450 50	52
Other emolaments	30	32	30	32
	500	480	500	480
	2,311	2,105	2,311	2,105
Directors of the subsidiary companies				
Fees	178	188	-	-
Other emoluments	1,568	1,728	-	-
Contributions to EPF	103	108	-	-
	1,849	2,024	-	-
Total	4,160	4,129	2,311	2,105

The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Group and the Company amounted to RM113,651 and RM81,327 (2024: RM142,469 and RM75,873) respectively.



#### PROFIT BEFORE TAX 8.

Profit before tax is arrived at after crediting/(charging) the following:

	The Group		The Company	
	2025 2024		2025	2024
	RM'000	RM'000	RM'000	RM'000
Changes in fair value of derivatives	(323)	1,321	-	-
Rental income	1,095	1,273	90	69
(Loss)/Gain on foreign exchange (net):				
Unrealised	(1,241)	(60)	-	-
Realised	(1,526)	1,914	-	-
Fees paid/payable to external auditors:				
Statutory audit:				
Auditors of the Company	(425)	(405)	(120)	(120)
Other auditors	(153)	(157)	-	-
Non-audit services:				
Auditors of the Company	(10)	(10)	(10)	(10)
Other auditors	(156)	(146)	(156)	(146)
Loss on disposal of property, plant				
and equipment	(1)	(121)	-	-
Employee benefits expenses	(83,729)	(77,397)	(4,849)	(5,209)
Impairment losses on trade				
receivables (Note 24)	-	(970)	-	-
Reversal of impairment losses				
on trade receivables no longer				
required (Note 24)	53	-	-	-
Net fair value change in				
biological assets (Note 21)	305	(538)	=	-
Other investment written off				
(Note 18)	(430)	-	(430)	-
Compensation received (Note 46)	20,950	-	=	-
Compensation paid to lessee (Note 46)	(15,000)	-	-	-
Inventories written off (Note 22)	(38)	(18)	-	-
Reversal of write-down of				
inventories (Note 22)	717	2,733	-	-
Impairment loss on:				
Property, plant and equipment (Note 13)	(7,710)	-	-	-
Right-of-use assets (Note 14)	(260)	-	-	-
Property, plant and		,·		
equipment written off	(1,075)	(978)	(2)	-
Waiver of specialist fee	12	8	-	-
Gain on lease modification	39	-	-	-

Included in the employee benefits expenses are as follows:

The Group		The Company				
2025	2025	2025 2024	2025 2024 2025	2025	2025 2024 2025	2024
RM'000	RM'000	RM'000	RM'000			
6,294	5,458	524	454			
2,071	242	205	146			
	2025 RM'000 6,294	2025 2024 RM'000 RM'000 6,294 5,458	2025 2024 2025 RM'000 RM'000 RM'000 6,294 5,458 524			

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 9. FINANCE COSTS

	The	The Group		Company
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest expense on:				
Hire purchase payables (Note 44)	150	92	-	-
Lease liabilities (Note 44)	113	171	-	*
Loans and borrowings (Note 44)	1,011	545	-	-
Unwinding of discount on other payables	671	-	671	-
	1,945	808	671	*

<sup>\*</sup> Less than RM1,000

#### 10. INCOME TAX EXPENSE

	The	Group	The C	Company
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Estimated tax payable:				
Current financial year	21,895	17,838	-	-
(Over)/Under provision in prior financial years	(96)	156	-	-
	21,799	17,994	-	-
Deferred tax (Note 20):				
Current financial year	(804)	803	-	-
Under/(Over) provision in prior financial years	307	(171)	-	-
	(497)	632	-	-
	21,302	18,626	-	-
	-			

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2024: 24%) of the estimated taxable profit for the financial year. Taxation of other jurisdictions is calculated at the rate prevailing in the respective jurisdictions.



#### 10. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense at the applicable statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	The	Group	The C	ompany
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before tax	72,263	43,166	18,139	11,601
Tax at the Malaysian statutory income tax rate of 24%	17,343	10,360	4,353	2,784
Different tax rates in other jurisdictions Tax effects of:	(1,177)	(766)	-	-
Non-deductible expenses Non-taxable income	1,563 (4,131)	3,558 (3,709)	294 (5,171)	371 (3,808)
Realisation of deferred tax assets previously not recognised	(2)	-	_	-
Deferred tax assets not recognised (Over)/ Under provision in prior years:	7,495	9,198	524	653
Current tax Deferred tax	(96) 307	156 (171)	- -	-
Income tax expense	21,302	18,626	-	-

The Company has tax-exempt income accounts arising from tax-exempt dividend income received and tax-exempt income under Paragraph 28, Schedule 6 of the Income Tax Act, 1967 totalling RM7,683,170 (2024: RM7,671,650) which, subject to agreement of the Inland Revenue Board, is available for distribution of its retained earnings as tax-exempt dividends.

A subsidiary company has tax-exempt accounts amounting to approximately RM177,930,000 (2024: RM177,930,000) arising from tax-exempt income earned during the pioneer period under the Promotion of Investments Act, 1986. The exempt income accounts are available for distribution of its retained earnings as tax-exempt dividends to the shareholder of the said subsidiary company and is subject to approval by the tax authorities.

A subsidiary company has tax-exempt income under the Income Tax (Amendment) Act, 1999 amounting to approximately RM715,000 (2024: RM715,000). This amount, which arose from tax waiver on the chargeable income earned in 1999, is available for distribution of its retained earnings as tax-exempt dividends.

A subsidiary company has tax-exempt account amounting to RM48,219,150 (2024: RM48,219,150) arising from foreign source dividend received from Indonesia subsidiary companies. This tax-exempt account, which is subject to approval by the tax authorities, is available for distribution of tax-exempt dividends.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 10. INCOME TAX EXPENSE (CONT'D)

The tax effects of deductible temporary differences, unused tax losses and unabsorbed capital allowances which would give rise to deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowances can be utilised. As at 31 March 2025, the estimated amount of deducible temporary difference, unused tax losses and unabsorbed capital allowances for which no deferred tax asset has been recognised in the financial statements due to uncertainty of realisation, is as follows:

	The	Group	The C	Company
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deductible temporary differences arising from:				
Inventories	1,305	2,285	-	-
Financial derivatives	(770)	(1,092)	-	-
Provision for retirement benefits	10,617	8,132	1,768	1,426
Trade receivables	271	305	-	-
Other receivables	10	10	-	-
Other payables and accrued expenses	(8,128)	(16,964)	1,081	1,379
Unabsorbed capital allowances	13,656	10,372	3,013	2,782
Unused tax losses	92,657	75,350	22,584	20,677
	109,618	78,398	28,446	26,264

The comparative figures of the Group and of the Company have been revised to reflect the previous year's tax submission.

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, any accumulated tax losses brought forward from year of assessment 2018 can be carried forward for another 7 consecutive years of assessment. The Finance Act 2021 was published on 31 December 2021 with extension of the time period for carrying forward unused tax losses to 10 years from existing 7 years. The expiry of the unused tax losses is as below:

	The	Group	The C	Company
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Year of assessment 2028	13,837	13,837	12,024	12,024
Year of assessment 2029	1,260	1,260	1,260	1,260
Year of assessment 2030	1,057	1,057	1,057	1,057
Year of assessment 2031	1,293	1,293	1,293	1,293
Year of assessment 2032	1,798	1,798	1,798	1,798
Year of assessment 2033	17,713	17,713	1,496	1,496
Year of assessment 2034	38,392	38,392	1,749	1,749
Year of assessment 2035	17,307	-	1,907	-
-	92,657	75,350	22,584	20,677

The unabsorbed capital allowances do not expire under the current tax legislation and is available for offset against future taxable profits indefinitely.



#### 11. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the financial year attributable to equity holders of the Company by the number of ordinary shares in issue during the financial year.

	Th	ne Group
	2025	2024
Profit for the financial year attributable to ordinary equity holders of the Company (RM'000)	36,702	13,634
Number of ordinary shares in issue ('000)	136,934	136,934
Basic earnings per share (sen)	26.80	9.96

The basic and diluted earnings per share are the same as the Company has no dilutive potential ordinary shares.

#### 12. LAND HELD FOR PROPERTY DEVELOPMENT

	The	Group
	2025 RM'000	2024 RM'000
Freehold land at cost Development costs	134,285 5,583	134,285 5,583
	139,868	139,868

Land held for property development comprises a land bank which is being held for future development.

The Group Cost	As at 1 April 2024 RM'000	Additions RM'000	Disposals RM'000	Write offs RM'000	Reclassifications RM'000	Effects of foreign exchange translation RM'000	As at 31 March 2025 RM'000
Leasehold land	3,306	1	•	1	ı	(333)	2,973
Freehold land	4,950	ı	1	1	•		4,950
Freehold office	8,544	ı	1	1	•	ı	8,544
Factory buildings	14,374	•	1	(265)	•	(149)	13,960
Palm oil mills	58,896	708	•		•	(5,963)	53,641
Hospital building	31,653	23	•	•	(2,290)		29,386
Medical equipment	58,630	1,887	•	(1,099)	(47)	1	59,371
Plant, machinery, equipment							
and electrical installation	201,829	10,879	(145)	(35,460)	3,344	(3,823)	176,624
Motor vehicles	12,690	3,955	(222)	1	1	(647)	15,776
Office equipment, furniture							
and fittings	37,809	5,713	(4)	(1,020)	38	(231)	42,305
Staff quarters cum office block	11,295	3,577	1	1	6	(1,308)	13,573
Land improvements	14,045	1,702	1	1	105	(1,500)	14,352
Construction in-progress:							
Plant and machinery	944	1,081	1	1	1	1	2,025
Palm oil mills	1,678	898	1	1	(1,159)	(156)	1,231
Renovation	5,612	1,430	•	4)			7,038
Bearer plants	65,791	8,650	•		ı	(6,862)	62,229
Total	532,046	40,473	(371)	(37,848)	'	(20,972)	513,328

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#### NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	As at					Effects of foreign	As at
	1 April	0 40:4:14.14.14.14.14.14.14.14.14.14.14.14.14.1		Weite		exchange	31 March
ost Cost	RM'000	RM'000	Disposais RM'000	RM'000	Reciassinications RM'000	ransiation RM'000	RM'000
Leasehold land	3,273	•	•	1	ı	33	3,306
Freehold land	4,950	1	1	1	1	1	4,950
Freehold office	8,544	1	1	1	1	1	8,544
Factory buildings	14,176	233	(45)	1	•	10	14,374
Palm oil mills	59,163	185	(1,068)	1	1	616	58,896
Hospital building	29,369	2,284		1	•	1	31,653
Medical equipment	55,071	4,099	(250)	(290)	1	1	58,630
Plant, machinery, equipment							
and electrical installation	196,003	6,626	(1,003)	1	1	203	201,829
Motor vehicles	12,048	752	(151)	1	1	41	12,690
Office equipment, furniture							
and fittings	39,179	1,479	(69)	(2,803)	1	13	37,809
Staff quarters cum office block	9,073	1,139	(3)		1,028	28	11,295
Land improvements	10,361	3,116	(48)	1	268	48	14,045
Construction in-progress:							
Plant and machinery	36	806	1	1	1	1	944
Palm oil mills	1,555	1,706	1	1	(1,596)	13	1,678
Renovation	5,302	310	1	1		1	5,612
Bearer plants	53,869	11,576	ı	1	ı	346	65,791
Total	501,972	34,413	(2,627)	(3,093)	ı	1,381	532,046

The Group Accumulated Depreciation	As at 1 April 2024 RM'000	Charge for the financial year RM'000	Disposals RM'000	Write offs RM'000	Reclassifications RM'000	Effects of foreign exchange translation RM'000	As at 31 March 2025 RM'000
	1,641	87	•	•	1	(155)	1,573
	1	ı	•	ı	•		•
	1,671	171	1	1	•	1	1,842
SK	6,054	362	1	(107)	•	(69)	6,240
Palm oil mills	36,153	2,026	1	` 1	•	(3,736)	34,443
ō	13,174	618	1	1	(34)		13,758
Medical equipment	34,246	5,459	1	(1,062)	(32)	•	38,611
y, equipment							
nstallation	162,690	7,555	(128)	(34,619)	34	(2,618)	132,914
Motor vehicles	8,844	1,455	(224)	1	•	(382)	069'6
Office equipment, furniture							
	27,789	3,178	(2)	(683)	22	(149)	29,855
Staff quarters cum office block	7,175	266			10	(120)	7,001
and improvements	6,430	629	•	1	•	(22)	6,382
Construction in-progress:							
ninery	•	1	•	1	•	•	•
	•	ı	•	ı	•	1	•
	2,086	476	1	(2)	1	1	2,560
	14,460	2,140	1	1	1	(1,474)	15,126
	322,413	24,722	(354)	(36,773)	ı	(10,013)	299,995



The Group Accumulated Depreciation	As at 1 April 2023 RM'000	Charge for the financial year RM'000	Disposals RM'000	Write offs RM'000	Reclassifications RM'000	Effects of foreign exchange translation RM*000	As at 31 March 2024 RM'000
Leasehold land	1,598	28	1	1	1	15	1.641
Freehold land		ı	1	1	1	1	
Freehold office	1,500	171	ı	1	•	1	1,671
Factory buildings	5,702	361	(13)	1	•	4	6,054
Palm oil mills	34,512	2,378	(1,067)	1	•	330	36,153
Hospital building	12,583	591		•	•	1	13,174
Medical equipment	29,639	5,037	(158)	(272)	•	1	34,246
Plant, machinery, equipment				•			
and electrical installation	156,033	7,426	(957)	1	•	188	162,690
Motor vehicles	7,727	1,243	(152)	1	1	26	8,844
Office equipment, furniture							
and fittings	26,678	2,999	(23)	(1,843)	•	80	27,789
Staff quarters cum office block	6,670	447	(8)	1	•	61	7,175
Land improvements	5,808	610	(38)	1	1	20	6,430
Construction in-progress:							
Plant and machinery	1	1	1	1	1	1	1
Palm oil mills	•	•	•	•	•	1	
Renovation	1,638	448	1	1	•	1	2,086
Bearer plants	12,617	1,748	1	1	ı	92	14,460
Total	302,705	23,487	(2,441)	(2,115)	1	777	322,413

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group Accumulated Impairment	As at 1 April 2023/ 31 March 2024/ 1 April 2024 RM'000	Charge for the financial year RM'000	As at 31 March 2025 RM'000
Factory buildings Plant, machinery, equipment and electrical installation		1,944 5,766	1,944 5,766
Total	-	7,710	7,710

	Carryir	Carrying Amount		
The Group	2025	2024		
	RM'000	RM'000		
Leasehold land	1,400	1,665		
Freehold land	4,950	4,950		
Freehold office	6,702	6,873		
Factory buildings	5,776	8,320		
Palm oil mills	19,198	22,743		
Hospital building	15,628	18,479		
Medical equipment	20,760	24,384		
Plant, machinery, equipment and electrical installation	37,944	39,139		
Motor vehicles	6,086	3,846		
Office equipment, furniture and fittings	12,450	10,020		
Staff quarters cum office block	6,572	4,120		
Land improvements	7,970	7,615		
Construction in-progress:				
Plant and machinery	2,025	944		
Palm oil mills	1,231	1,678		
Renovation	4,478	3,526		
Bearer plants	52,453	51,331		
Total	205,623	209,633		

The Company	Freehold office RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Renovation RM <sup>2</sup> 000	Total RM'000
Cost As at 1 April 2023 Additions Write offs	3,593	2,431	1,996	1,519	9,539
	-	8	346	41	395
	-	-	(1)	-	(1)
As at 31 March 2024/1 April 2024	3,593	2,439	2,341	1,560	9,933
Additions		1,295	57	49	1,401
Write offs		-	-	(4)	(4)
As at 31 March 2025	3,593	3,734	2,398	1,605	11,330



#### 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Fusabald	Matau	Office equipment,		
The Company	Freehold office RM'000	Motor vehicles RM'000	furniture and fittings RM'000	Renovation RM'000	Total RM'000
Accumulated Depreciation					
As at 1 April 2023	922	1,697	1,444	1,142	5,205
Charge for the financial year	72	243	184	55	554
Write offs		-	(1)	-	(1)
As at 31 March 2024/1 April 2024	994	1,940	1,627	1,197	5,758
Charge for the financial year	72	343	199	58	672
Write off		-	-	(2)	(2)
As at 31 March 2025	1,066	2,283	1,826	1,253	6,428
Carrying Amount					
As at 31 March 2025	2,527	1,451	572	352	4,902
As at 31 March 2024	2,599	499	714	363	4,175

(i) A factory building and oleochemical plant of a subsidiary company, SAI was constructed on a parcel of land belonging to SRM. Accordingly, SRM charged SAI rental for the use of the said land. The existing rental agreement between SRM and SAI is expiring on 31 March 2026, which is significantly shorter than the remaining useful life of the property, plant and equipment on the land. SAI intends to apply for a renewal of the lease agreement with SRM upon its expiry on 31 March 2026.

During the year, as the result of the poor performance of oleochemical segment, SAI carried out a review of the recoverable amount of the related cash generating unit, which comprises property, plant and equipment and right-of-use asset. The poor performance can be attributed to market weaknesses, excess global capacity and volatile commodity prices.

The review led to the recognition of an impairment loss of RM7,970,000 in profit or loss, which was allocated to property, plant and equipment and right-of-use asset amounting to RM7,710,000 and RM260,000 respectively. The cash generating unit was impaired to its recoverable amount based on value in use of RM20,933,585. The discount rate used in measuring value in use was 9.8%. The impairment losses have been included in the profit or loss under the 'Other operating expenses' line item.

- (ii) On 31 October 1995, NISB, a subsidiary company, entered into a Sale and Purchase Agreement ("SPA") with SRM, a major shareholder of the Company, to purchase several parcels of freehold land, where the hospital building is constructed, at a total purchase consideration of RM4,950,000. The said purchase consideration had been fully settled since 4 November 2000. In view of the delay in transferring the land title by SRM, NISB had since year 2010, lodged a caveat to protect its interest on the land. The Directors of NISB are confident that the land title will eventually be transferred as NISB had fully satisfied all the conditions as stipulated in the said agreement. Accordingly, the Directors of NISB believe that no impairment loss needs to be considered on the private hospital building with carrying amount of RM15,627,547 (2024: RM20,420,446), which is constructed on the said land.
- (iii) Included in property, plant and equipment of the Group and of the Company are fully depreciated assets with cost amounting to RM161,888,918 (2024: RM191,395,758) and RM3,640,946 (2024: RM3,946,851) respectively, which are still in use.
- (iv) At the end of the reporting period, the carrying amount of property, plant and equipment of the Group acquired under hire purchase amounted to RM2,501,133 (2024: RM1,435,202) are pledged to the bank as described in Note 33.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 14. RIGHT-OF-USE ASSETS

The Group	Land RM'000	Building RM'000	Total RM'000
Cost As at 1 April 2023 Addition	8,485 -	695 409	9,180 409
As at 31 March 2024/1 April 2024 Addition Lease modification Disposal <sup>1</sup>	8,485 - 124 -	1,104 63 - (152)	9,589 63 124 (152)
As at 31 March 2025	8,609	1,015	9,624
Accumulated Depreciation As at 1 April 2023 Charge for the financial year As at 31 March 2024/1 April 2024 Charge for the financial year Disposal <sup>1</sup> Effects of foreign exchange translation	4,793 1,172 5,965 1,172	544 205 749 209 (152) 2	5,337 1,377 6,714 1,381 (152) 2
As at 31 March 2025	7,137	808	7,945
Accumulated Impairment As at 1 April 2023/31 March 2024/1 April 2024 Charge for the financial year As at 31 March 2025	260	- -	260
Carrying Amount As at 31 March 2025	1,212	207	1,419
As at 31 March 2024	2,520	355	2,875

Relates to derecognition of right-of-use assets in accordance with MFRS 16 *Leases* following the expiry of the lease agreements.

The leases have contractual terms ranging from 2 to 10 years (2024: 2 to 10 years). The maturity analysis of lease liabilities is presented in Note 34.

The total cash outflow for leases amount to RM2,106,000 (2024: RM1,762,000).



#### 14. RIGHT-OF-USE ASSETS (CONT'D)

The Company	Motor vehicle RM'000
Cost	
As at 1 April 2023	70
Modification	(9)
Disposal <sup>1</sup>	(61)
As at 31 March 2024	-
Accumulated Depreciation	
As at 1 April 2023	35
Charge for the financial year	26
Disposal <sup>1</sup>	(61)
As at 31 March 2024	-
Carrying Amount As at 31 March 2024	-

Relates to derecognition of right-of-use assets in accordance with MFRS 16 *Leases* following the expiry of the lease agreements.

In the previous financial year, the lease of the Company had contractual term of 2 years. The maturity analysis of lease liabilities is presented in Note 34.

The total cash outflow of the Company for leases amount to RM5,000 (2024: RM38,000).

#### Amounts recognised in statements of profit or loss and other comprehensive income

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Depreciation expense on right-of-use assets	1,381	1,377	-	26
Finance costs on lease liabilities (Note 34)	113	171	-	*
Expense relating to short-term leases	177	104	-	-
Expense relating to leases of low-value assets	396	115	5	12

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 15. INVESTMENT PROPERTIES

	The Group	
	2025 RM'000	2024 RM'000
Cost At beginning of the financial year Additions	7,966 4,123	5,017 2,949
At end of the financial year	12,089	7,966
Accumulated Depreciation At beginning of the financial year Additions	16 39	- 16
At end of the financial year	55	16
Carrying Amount	12,034	7,950
Fair value	17,600	16,200

Investment properties consist of a piece of vacant freehold land in Klang, one and a half storey semi-detached house in Shah Alam and two parcels of housing accommodations under construction in Kuala Lumpur.

A valuation was carried out by an independent firm of professional valuers on the piece of vacant freehold land in Klang in April 2025 (2024: May 2019), using the comparison method, involving comparison to other similar properties in the same location to arrive at a fair value of RM15,600,000 (2024: RM14,200,000) of the freehold land. In relying on the valuation report, the Directors have exercised their judgement and are satisfied that the valuation method and estimates are reflective of current market conditions. The fair value of the housing accommodations under construction is not reliably determinable until the construction is complete. The fair value of the one and a half storey semi-detached house is estimated at RM2,000,000 (2024: RM2,000,000) based on directors' assessment of the current prices in an active market for the property within the vicinity.

No rental income earned from the investment properties since prior years.

Direct operating expenses arising from the investment properties during the financial year amounted to RM76,042 (2024: RM73,389).

Details of the Group's investment properties and information about the fair value hierarchy are as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Fair value RM'000
As at 31 March 2025	-	-	17,600	17,600
As at 31 March 2024	-	-	16,200	16,200



#### 16. INVESTMENTS IN SUBSIDIARY COMPANIES

	The Company	
	2025 RM'000	2024 RM'000
Unquoted shares at cost At beginning of the financial year	276.841	253,341
Additions	5,400	23,500
At end of the financial year	282,241	276,841
Less: Accumulated impairment losses:		
At beginning and end of the financial year	(7,742)	(7,742)
Total	274,499	269,099

The Directors have reviewed the Company's investments in subsidiary companies for indications of impairment and concluded that the allowance for impairment loss amounting to RM7,742,000 (2024: RM7,742,000) as at the end of the reporting period is deemed adequate in respect of investments in the subsidiary companies.

The details of subsidiary companies are as follows:

Direct subsidiary companies	Principal place of business/ Country of incorporation	Equity i	interest 2024	Principal activities
Direct subsidiary companies	incorporation	2023	2024	Fillicipal activities
Southern Acids Cronos Resource Sdn. Bhd.	Malaysia	100%	100%	Provision of administrative and accounting services
Southern Acids Industries Sdn. Bhd.	Malaysia	100%	100%	Manufacturing and marketing of oleochemical products for commercial use
PKE Transport (Malaysia) Sdn. Berhad	Malaysia	100%	100%	Provision of overhead conveyor goods loading services
Pembinaan Gejati Sdn. Bhd.	Malaysia	100%	100%	Property development and oil palm plantation operations
SAB Properties Development Co. Sdn. Berhad	Malaysia	100%	100%	Investment holding and lease of property
Noble Interest Sdn. Bhd.	Malaysia	100%	100%	Property holding and lease of a hospital building
Southern Medicare Sdn. Bhd.	Malaysia	100%	100%	Private hospital and healthcare services
Wilstar Sdn. Bhd.	Malaysia	100%	100%	Dormant
SAB Plantation Sdn. Berhad	Malaysia	100%	100%	Pre-operating
Firstview Development Sdn. Bhd.	Malaysia	100%	100%	Investment holding

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 16. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

The details of subsidiary companies are as follows (cont'd):

Direct subsidiary companies	Principal place of business/ Country of incorporation	Equity i	nterest 2024	Principal activities
Direct subsidiary companies	moorporation	2020	2024	i imolpai activities
Parson Medithor Medical Sdn. Bhd.	Malaysia	100%	100%	Dormant
SAB Bio-Fuel Sdn. Bhd.	Malaysia	100%	100%	Pre-operating
Imayos Letting Sdn. Bhd.	Malaysia	100%	100%	Pre-operating
SAB (East Asia) Holdings Ltd.*	Hong Kong	100%	100%	Dormant
Indirect subsidiary companies				
PT Mustika Agro Sari* (Held through Firstview Development Sdn. Bhd.)	Indonesia	70%	70%	Oil palm plantation operations and commercial milling
PT Wanasari Nusantara* (Held through Firstview Development Sdn. Bhd. and PT Mustika Agro Sari)	Indonesia	70%	70%	Oil palm plantation operations and commercial milling

<sup>\*</sup> The subsidiary companies are audited by firms of auditors other than Deloitte PLT.

During the financial year, the Company subscribed for a total of 5,400,000 ordinary shares in its three wholly owned subsidiaries, comprising:

- 5,000,000 shares in Southern Acids Industries Sdn Bhd,
- 350,000 shares in Imayos Letting Sdn Bhd, and
- 50,000 shares in SAB Bio-Fuel Sdn Bhd.

These investments were made in response to the increase in share capital of the respective subsidiary companies, for a total cash consideration of RM5,400,000. Additionally, the Company acquired one ordinary share in Firstview Development Sdn Bhd from its wholly owned subsidiary, Southern Acids Cronos Resource Sdn Bhd, for a cash consideration of RM79.

On 8 February 2024, the Group announced that the Company has entered into a share sale agreement ("SSA") with Low Mong Hua Sdn Bhd ("LMHSB") for the acquisition of 300,000 ordinary shares in Firstview Development Sdn Bhd ("FVD"), representing 10% of the remaining equity interest in FVD for a total cash consideration of RM23,500,000 of which RM6,000,000 has been paid in prior year, the remaining outstanding are to be repaid as described in Note 36.

On 19 February 2024, the SSA had set to be unconditional and the acquisition had completed in accordance with the terms and conditions of the SSA.

Upon completion of the SSA, FVD had become a wholly-owned subsidiary of the Company in the previous financial year. The effective interest in PT Mustika Agro Sari and PT Wanasari Nusantara had increased from 63% to 70%, with the balance of 30% equity interest held by the Indonesian parties, namely Winianty and Herry Amin.



#### 16. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Information about the composition of the Group at the end of the reporting period is as follows:

Principal activity	Place of incorporation and operation	wholly-	per of owned companies 2024
Manufacturing and marketing of oleochemical products Managing and operating of	Malaysia	1	1
private hospital	Malaysia	1	1
Sale of oil palm fruit	Malaysia	1	1
Bulk conveyor operations	Malaysia	1	1
Others	Malaysia	9	9
Others	Hong Kong	1	1
	- -	14	14
Principal activity	Place of incorporation and operation	non-who	per of lly-owned companies 2024
Sale of oil palm fruit, crude palm oil and palm kernel	Indonesia -	2	2

The table below shows details of non-wholly-owned subsidiary companies of the Group that have material non-controlling

Subsidiary companies	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by non-controlling interests	Profit allocated to non-controlling interest RM'000	Total comprehensive (loss)/income allocated to non-controlling interests RM'000	Carrying amount of non-controlling interests RM'000
2025 PT Mustika Agro Sari (Held through Firstview Development Sdn. Bhd.)	Indonesia	30.0%	5,435	(852)	60,795
PT Wanasari Nusantara (Held through Firstview Development Sdn. Bhd. an PT Mustika Agro Sari)	Indonesia d	30.0%	8,824	4,896	42,377
Total			14,259	4,044	103,172

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 16. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Subsidiary companies	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by non-controlling interests	Profit allocated to non-controlling interest RM'000	Total comprehensive income allocated to non-controlling interests RM'000	Carrying amount of non-controlling interests RM'000
2024 PT Mustika Agro Sari (Held through Firstview Development Sdn. Bhd.)	Indonesia	30.0%	5,402	6,319	61,647
PT Wanasari Nusantara (Held through Firstview Development Sdn. Bhd. ar PT Mustika Agro Sari)	Indonesia	30.0%	5,600	6,067	37,481
Total		_	11,002	12,386	99,128

Summarised financial information in respect of each of the Company's subsidiary company that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	PT Mustika Agro Sari		PT Wanasari Nusantara	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Statement of financial position Current assets	201,192	210,481	74,875	55,654
Non-current assets	73,286	62,831	89,783	88,594
Current liabilities	12,606	13,131	21,335	16,803
Non-current liabilities	3,487	5,002	3,528	3,862
Equity attributable to equity holders of the Company Non-controlling interests	197,590 60,795	193,532 61,647	97,418 42,377	86,102 37,481
Statement of profit or loss and other comprehensive income Revenue Other expenses	233,479 (212,231)	167,363 (149,153)	301,241 (263,603)	241,631 (221,499)
Carrot Oxponess		(1.10,100)	(=00,000)	(==:,:00)
Profit before tax Income tax expense	21,248 (3,130)	18,210 (3,465)	37,638 (8,226)	20,132 (5,045)
Profit for the financial year	18,118	14,745	29,412	15,087



#### 16. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Summarised financial information in respect of each of the Company's subsidiary company that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations. (cont'd)

	PT Mustika Agro Sari		PT Wanasari Nusantara	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit attributable to equity holders of the Company Profit attributable to	12,683	9,343	20,588	9,487
non-controlling interests	5,435	5,402	8,824	5,600
Profit for the financial year	18,118	14,745	29,412	15,087
Other comprehensive (loss)/income for the financial year	(20,957)	1,978	(13,093)	969
Total comprehensive (loss)/income attributable to equity holders of the Company Total comprehensive (loss)/income attributable to	(1,987)	10,404	11,423	9,989
non-controlling interests	(852)	6,319	4,896	6,067
Total comprehensive (loss)/income for the financial year	(2,839)	16,723	16,319	16,056
Statement of cash flows  Net cash from operating activities  Net cash used in investing activities  Net cash from/(used in) financing activities	13,803 (8,577) 105	75,472 (5,971) (6,329)	25,972 (16,688) 870	15,602 (18,475) (68,455)
Net cash inflow/(outflow)	5,331	63,172	10,154	(71,328)
Dividend paid to non- controlling interests	-	(1,817)	-	-

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 17. INVESTMENT IN AN ASSOCIATE COMPANY

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unquoted shares, at cost At beginning of the financial year	2,977	2,977	917	917
Share of post-acquisition reserve At beginning of the financial year Share of results of an associate company	(1,088) 515	(540) (548)	- -	-
Transfer to asset classified as held	(573)	(1,088)	-	-
for sale (Note 29)	(2,404)	-	(917)	-
At end of the financial year		1,889	-	917

	Country of	•	ortion of hip interest	
Associate company	incorporation	2025	2024	Principal activities
PKE (Malaysia) Sdn. Berhad.	Malaysia	38.5%	38.5%	Provision of warehousing and overhead conveyor goods loading services

Summarised financial information in respect of the Group's material associate company is set out below. The summarised financial information below represents amounts shown in associate company's financial statements prepared in accordance with MFRSs.

	2025 RM'000	2024 RM'000
PKE (Malaysia) Sdn. Berhad.		
Statement of financial position Current assets Non-current assets Current liabilities Non-current liabilities	6,317 22,987 (4,552) (18,426)	4,626 8,284 (4,879) (2,977)
Net assets	6,326	5,054
Statement of profit or loss and other comprehensive income Revenue Expenses	13,275 (11,938)	10,855 (12,279)
Profit/(Loss) for the financial year	1,337	(1,424)
Remeasurement of defined benefit obligations	(63)	-
Total comprehensive income/(loss) for the financial year	1,274	(1,424)



### 17. INVESTMENT IN AN ASSOCIATE COMPANY (CONT'D)

	2025 RM'000	2024 RM'000
Statement of profit or loss and other comprehensive income (cont'd) Group's share of net assets	2,436	1,945
Group's share of results of an associate company	515	(548)
Group's share of other comprehensive loss of an associate company	(24)	-

#### 18. OTHER INVESTMENTS

	The Group and the Company	
	2025 RM'000	2024 RM'000
Shares in Malaysia: Quoted shares - at fair value	38,120	42,032

Movement in the quoted shares in Malaysia during the reporting period is as follows:

	The Group and	
	the Company	
	2025 RM'000	2024 RM'000
At beginning of the financial year Disposals	42,032 -	29,487 (2)
Realisation on fair value of equity instruments	-	(223)
Investment written off (Note 8)	(430)	-
Changes in fair value	(3,482)	12,770
At end of the financial year	38,120	42,032

### 19. PAYABLES FOR KREDIT KOPERASI PRIMER UNTUK ANGGOTANYA ("KKPA") PROGRAM

	The 2025 RM'000	e Group 2024 RM'000
At beginning of the financial year Movement during the financial year Effects of foreign exchange translation	(1,382) 578 112	(218) (1,181) 17
At end of the financial year	(692)	(1,382)

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 19. PAYABLES FOR KREDIT KOPERASI PRIMER UNTUK ANGGOTANYA ("KKPA") PROGRAM (CONT'D)

Under an existing government policy in Indonesia, oil palm plantation owners/operators are required to assist in the development of plantations for small holders (herein referred to as the "Plasma Farmers") through a program called "Kredit Koperasi Primer untuk Anggotanya" or "KKPA". Under the KKPA programs, all participating Plasma Farmers are under the coordination of a cooperative, and any investment credit availed during the development of the plantations (land preparation up to the end of the immature stage) shall also be rendered to the cooperative. The oil palm plantation owners/ operators, on the other hand, served as the contractors for developing the plantations, train and develop the skills of the plasma farmers, and purchase the fresh fruit bunches ("FFB") harvested by plasma farmers at prevailing prices determined by the Indonesian Government.

The advances made by the Group in the form of plasma plantation development costs are recoverable from the plasma farmers upon the completion of the plasma plantation projects, either through direct repayments from the plasma farmers or netted-off with the FFB purchased from the plasma farmers.

Advances for KKPA program represent the accumulated costs to maintain plasma plantations, totalling 500 hectares, which are currently being self-financed by a subsidiary company. The allowance for loss on conversion of KKPA program is based on a periodic review of the recoverability of the development costs.

Accumulated plasma plantation development costs denominated in Indonesia Rupiah are presented net of the proceeds received from plasma plantations investment credit and the FFB purchased from the plasma farmers as Advances or Pavables for KKPA Program.

#### 20. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets/(liabilities) pertaining to the Company and the subsidiary companies are as follows:

	The Group	
	2025 RM'000	2024 RM'000
At beginning of the financial year Credited/(Charged) to profit or loss (Note 10):	(3,875)	(3,214)
Property, plant and equipment Right-of-use assets Biological assets Trade receivables Other payables and accrued expenses Lease liabilities Provision for retirement benefits Unabsorbed capital allowances	464 (585) 301 (16) (192) 567 191 (233)	(82) 114 137 216 (857) (87) (182) 109
	497	(632)
(Charged)/Credited to other comprehensive income: Provision for retirement benefits Translation of foreign operations	(585) (76)	(69) 40
At end of the financial year	(4,039)	(3,875)



### 20. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is an analysis of the deferred tax balances (after offset) for statements of financial position purposes:

	The	The Group	
	2025 RM'000	2024 RM'000	
Deferred tax assets Deferred tax liabilities	2,234 (6,273)	1,996 (5,871)	
	(4,039)	(3,875)	

Deferred tax assets/(liabilities) provided in the financial statements are in respect of the tax effects of the following:

	The Group	
	2025 RM'000	2024 RM'000
Deferred tax assets (before offsetting)		
Temporary differences arising from:		
Biological assets	41	-
Trade receivables	442	458
Other payables and accrued expenses	1,077	1,298
Provision for retirement benefits  Lease liabilities	1,200 874	1,594 307
Unabsorbed capital allowances	191	307 424
Unused tax losses	28	28
	3,853	4,109
Offsetting	(1,619)	(2,113)
Deferred tax assets (after offsetting)	2,234	1,996
Deferred tax liabilities (before offsetting) Temporary differences arising from:		
Property, plant and equipment	(7,090)	(7,494)
Biological assets	· · · · ·	(273)
Right-of-use assets	(802)	(217)
	(7,892)	(7,984)
Offsetting	1,619	2,113
Deferred tax liabilities (after offsetting)	(6,273)	(5,871)

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 21. BIOLOGICAL ASSETS

	The Group	
	2025 RM'000	2024 RM'000
At beginning of the financial year Net fair value changes (Note 8) Effects of foreign exchange translation	1,444 305 (141)	1,953 (538) 29
At end of the financial year	1,608	1,444

The biological assets of the Group comprise fresh fruit bunches ("FFB") prior to harvest. The fair value measurement of the biological assets is determined by using the present value of net cash flows expected to be generated from the sale of FFB, adjusted for estimated oil content of unharvested FFB, less harvesting, transport and other costs to sell and is categorised within Level 3 of the fair value hierarchy. Changes to the estimated oil content of unharvested FFB included in the valuation will have a direct effect on the reported valuation.

If the Group's FFB tonnage changes by 10% (2024: 10%), the impact of the fair value of FFB would be as follows:

	The Group	
	2025 RM'000	2024 RM'000
FFB tonnage increase by 10% (2024: 10%) FFB tonnage decrease by 10% (2024: 10%)	161 (161)	144 (144)

During the financial year, the Group harvested approximately 91,617 tonnes of FFB (2024: 97,537 tonnes). The quantity of unharvested FFB of the Group as at 31 March 2025 included in the fair valuation of FFB was 3,457 tonnes (2024: 2,228 tonnes).

#### 22. INVENTORIES

	The Group	
	2025	
	RM'000	RM'000
At cost and net realisable value:		
Raw materials	12,507	2,289
Work-in-progress	22,447	32,421
Finished goods	30,115	25,267
Medical and surgical supplies	3,333	3,361
Consumables	16,229	13,948
Total	84,631	77,286

For the financial year ended 31 March 2025, cost of inventories recognised as an expense of the Group amounted to RM851,817,000 (2024: RM732,025,000).

The cost of inventories recognised is after taking into consideration a reversal of write down of RM717,000 (2024: reversal of write down of RM2,733,000) on the inventories to net realisable value is due to fluctuation of market condition and inventories written off of RM38,000 (2024: RM18,000).



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## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 23. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	The Group	
	2025 RM'000	2024 RM'000
Derivative financial assets		
Commodity future contracts	803	2,521
Foreign currency forward contracts	4	<u> </u>
	807	2,521
Derivative financial liabilities		
Commodity future contracts	(37)	(554)
Foreign currency forward contracts	-	(874)
	(37)	(1,428)

For the financial year ended 31 March 2025, the unrealised fair value gain of the foreign currency forward contracts amounting to RM878,000 (2024: fair value loss of RM767,000) and unrealised fair value loss of the commodity future contracts amounting to RM1,201,000 (2024: fair value gain of RM2,088,000) has been recognised in statement of profit or loss and other comprehensive income. The details of the derivatives are disclosed in Note 43.

#### 24. TRADE RECEIVABLES

	ine	Group
	2025 RM'000	2024 RM'000
Trade receivables Less: Impairment losses	50,339 (2,114)	64,149 (2,211)
	48,225	61,938

Trade receivables comprise amounts receivable for the sale of goods and services rendered. The credit period granted on sale of goods and services rendered ranges from 7 to 90 days (2024: 7 to 90 days).

An allowance of RM2,114,000 (2024: RM2,211,000) for the Group has been made for estimated irrecoverable amounts from the sale of goods and services rendered. This allowance has been determined based on estimates of possible losses which may arise from non-collection of certain receivable accounts.

Included in the Group's trade receivables balance are debtors with a carrying amount of RM14,376,000 (2024: RM14,684,000), which are past due at the end of reporting period for which no allowance has been provided for by the Group as there has not been a significant change in credit quality and the Group believes that the amounts are fully recoverable. The Group does not hold any collateral over these balances. The past due aging for these receivables ranges from 30 days and below to 120 days (2024: 30 days and below to 120 days).

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss ("ECLs"). The ECLs on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 24. TRADE RECEIVABLES (CONT'D)

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

The table below is an analysis of trade receivables as at the end of the reporting period:

	The Group	
	2025 RM'000	2024 RM'000
Neither past due nor impaired Past due but not impaired:	33,849	47,254
30 days and below	11,639	11,204
31 - 60 days	1,912	2,890
61 - 90 days	681	590
91 - 120 days	144	-
Past due and impaired:	14,376	14,684
More than 120 days	2,114	2,211
Total trade receivables	50,339	64,149

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses ("ECL")
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit impaired
In default	Amount is > 90 days past due or there is evidence indicating the asset is credit impaired.	Lifetime ECL - credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

Movement in the impairment losses for trade receivables during the reporting period is as follows:

	The Group	
	2025 RM'000	2024 RM'000
At beginning of the financial year Charge for the financial year (Note 8) Bad debts written off Reversal of loss allowance no longer required (Note 8)	2,211 - (44) (53)	1,287 970 (46)
At end of the financial year	2,114	2,211



The Group

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 24. TRADE RECEIVABLES (CONT'D)

In determining the recoverability of trade receivables, the Group considers any changes in the credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period.

The Group has no significant concentration of credit risk except for amounts due from 3 (2024: 5) major customers, which constitutes approximately 21% (2024: 32%) of the total trade receivables.

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Analysis of currency profile of trade receivables is as follows:

	111	e Group
	2025	2024
	RM'000	RM'000
United States Dollar	21,964	32,874
Ringgit Malaysia	24,135	25,248
Pound Sterling	486	203
Euro	1,640	3,613
	48,225	61,938

#### 25. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other receivables Less: Impairment losses	49,950 (142)	39,575 (142)	184 -	121 -
Refundable deposits Prepaid expenses	49,808 12,462 7,826	39,433 3,879 13,168	184 4,053 39	121 53 776
	70,096	56,480	4,276	950

The movement in the impairment losses for other receivables during the reporting period is as follows:

	The Group	
	2025	2024
	RM'000	RM'000
At beginning/end of the financial year	142	142

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 25. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES (CONT'D)

Analysis of currency profile of other receivables and refundable deposits is as follows:

	The	The Group	
	2025 RM'000	2024 RM'000	
Ringgit Malaysia Hong Kong Dollar Indonesian Rupiah United States Dollar	20,798 88 41,384	10,949 93 32,269 1	
	62,270	43,312	

#### 26. RELATED COMPANIES AND RELATED PARTY TRANSACTIONS

#### (a) Amount owing by subsidiary companies

Amount owing by subsidiary companies represent mainly unsecured advances, dividend, management fees receivable and payments made on behalf, net of administrative charges. These amounts are unsecured, interest-free and repayable on demand.

#### (b) Amount owing to subsidiary companies

Amount owing to subsidiary companies represents mainly unsecured advances and payments made on behalf, net of management fees receivable. The amounts are unsecured, interest-free and repayable on demand.

Analysis of currency profile of the amount owing to subsidiary companies is as follows:

	The	The Company	
	2025	2024	
	RM'000	RM'000	
Ringgit Malaysia	64	-	
Hong Kong Dollar	52	72	
	116	72	



### 26. RELATED COMPANIES AND RELATED PARTY TRANSACTIONS (CONT'D)

### (c) Related party transactions with group companies

The significant related party credits/(charges) arising from related party transactions, which were determined based on negotiations agreed between the parties, are as follows:

			The Company	
			2025 RM'000	2024 RM'000
Subsidiary companies Management fees received/ receivable				
Southern Acids Industries Sdn. Bhd.			2,521	2,196
PKE Transport (Malaysia) Sdn. Berhad			425	535
Southern Medicare Sdn. Bhd. Southern Acids Cronos Resource Sdn. Bhd.			1,446 151	1,481 67
Noble Interest Sdn. Bhd.			67	26
Pembinaan Gejati Sdn. Bhd.			211	145
Firstview Development Sdn. Bhd.			1,455	1,373
Dividends received/receivable Firstview Development Sdn. Bhd. Southern Medicare Sdn. Bhd.			6,000 12,012	- 12,012
	The 2025 RM'000	e Group 2024 RM'000	The 0 2025 RM'000	Company 2024 RM'000
Associate company PKE (Malaysia) Sdn. Berhad				
Management fee received/receivable Rental of overhead conveyor system	238	303	238	303
received/receivable	8,558	7,009	-	-
Administrative charge received/receivable	336	307	-	-
Administrative charge paid/payable	(1,855)	(1,646)	-	-

#### (d) Related parties

The related parties in which the Group has transacted with and their relationships with the Group are as follows:

Name of related parties	Relationship
Banting Hock Hin Estate Company Sdn. Bhd., Southern Edible Oil Industries (M) Sdn. Berhad, Southern Realty (Malaya) Sdn. Bhd., Torita Rubber Works Sdn. Bhd., Torita Trading (M) Sdn. Bhd., SKP Borneo Sdn. Bhd., Southern Keratong Plantations Sdn. Bhd., Bukit Rotan Palm Oil Sdn. Bhd., Southern Products Marketing Sdn. Bhd., Southern Hockjoo Plantation Sdn. Bhd., Southern Realty Plantations Company Sdn. Bhd., Kumsobina Development Sdn. Bhd., Perindustrian Sawit Karak Sdn. Bhd., Guan Heng Edible Oil Industries Sdn. Bhd., Southern Realty Resource Sdn. Bhd., Naga Wira Sdn. Berhad, Bekalan Utama Sdn. Berhad, Victory Investment Land (J) Sdn. Bhd., Victory Enghoe Plantations Sdn. Bhd., Victory Investment Company Sdn. Bhd., KeeHup Southern Realty Sdn Bhd (formerly known as Kee Hup Oil & Cake Sdn. Bhd.), Maxcentury Oil Palm (Sabah) Sdn. Bhd., and Fermanagan Biobridge Hall Sdn. Bhd., Kelompok Tani Anugrah Logas, Kelompok Tani Anugrah Tanjung Medang, Kelompok Tani Anugrah Sahabat Sejati, PT Mikroba Anugrah Perkasa, PT Anugrah Serasi Abadi and PT Mandiri Bakti Nusantara, PT Anugrah Serasi Abadi, PT Mandiri Bakti Nusantara and CV. Anugrah Daya Adhitama	Companies in which Dato' Sri Dr. Low Kok Thye and Datuk Wira Lim Kim Long, who are Directors of the Company, are also Directors and/or have substantial financial interests.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 26. RELATED COMPANIES AND RELATED PARTY TRANSACTIONS (CONT'D)

### (e) Related party transactions with related parties

The significant related party credits/(charges) arising from related party transactions, which were determined based on negotiations agreed between the parties, are as follows:

	The Group 2025 2 RM'000 RM	
Related parties Southern Realty (Malaya) Sdn. Bhd.		
Administrative charges Share of property, plant and equipment charges Share of utilities charges Purchases of goods Plantation advisory paid/ payable Leases paid/payable for:	4,073 48 (139) (25,188) (96)	4,425 42 (118) (1,768) (96)
Factory land Short-term leases	(878) (193)	(962) (141)
Bukit Rotan Palm Oil Sdn. Bhd. Administrative charges	37	30
Southern Edible Oil Industries (M) Sdn. Berhad Sale of goods Purchases of goods Administrative charges Share of property, plant and equipment charges Share of utilities charges	336 (5,262) 1,022 48 947	119 (4,802) 1,035 42 1,208
Southern Keratong Plantations Sdn. Bhd. Purchase of goods Administrative charges Rental received/receivable for vehicle Share of property, plant and equipment charges	1,870 36 3	(668) 1,701 - 3
Torita Rubber Works Sdn. Bhd. Administrative charges	21	17
Southern Hockjoo Plantation Sdn. Bhd. Administrative charges	230	201



### 26. RELATED COMPANIES AND RELATED PARTY TRANSACTIONS (CONT'D)

### (e) Related party transactions with related parties (cont'd)

	The	Group
	2025 RM'000	2024 RM'000
Banting Hock Hin Estate Company Sdn. Bhd. Administrative charges	208	217
Southern Products Marketing Sdn. Bhd. Administrative charges	103	93
Kumsobina Development Sdn. Bhd. Administrative charges	95	92
Southern Realty Plantations Company Sdn. Bhd. Administrative charges	43	38
KeeHup Southern Realty Sdn Bhd (formerly known as Kee Hup Oil & Cake Sdn. Bhd.) Rental paid/ payable for staff quarters Administrative charges	(46) 96	(46) 81
Torita Trading (M) Sdn. Bhd. Administrative charges	5	4
Victory Investment Company Sdn. Bhd. Administrative charges	40	48
Victory Enghoe Plantations Sdn. Bhd. Administrative charges	1,445	1,243
Bekalan Utama Sdn. Berhad Administrative charges	32	33
Naga Wira Sdn. Berhad Administrative charges	31	29
Perindustrian Sawit Karak Sdn. Bhd. Administrative charges	31	28
Guan Heng Edible Oil Industries Sdn. Bhd. Administrative charges	25	24

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 26. RELATED COMPANIES AND RELATED PARTY TRANSACTIONS (CONT'D)

### (e) Related party transactions with related parties (cont'd)

	2025	2024
	RM'000	RM'000
Maxcentury Oil Palm (Sabah) Sdn. Bhd. Administrative charges	110	102
Southern Realty Resource Sdn. Bhd. Administrative charges	53	48
Fermanagan Biobridge Hall Sdn. Bhd. Administrative charges	867	293
Kelompok Tani Anugrah Logas Purchase of goods	(680)	(1,826)
Kelompok Tani Anugrah Tanjung Medang Purchase of goods	(773)	(614)
Kelompok Tani Anugerah Sahabat Sejati Purchase of goods	(617)	(588)
PT Mikroba Anugrah Perkasa Purchase of goods	(4,083)	(844)
PT Anugrah Serasi Abadi Purchase of goods	(1,432)	(852)
PT Mandiri Bakti Nusantara Purchase of goods	(670)	



### 26. RELATED COMPANIES AND RELATED PARTY TRANSACTIONS (CONT'D)

#### Related party balances (f)

Included under the following accounts of the Group are significant outstanding balances arising from trade and nontrade transactions which were determined based on negotiations, as agreed with the above related parties:

	The 2025 RM'000	e Group 2024 RM'000
Trade receivables Southern Realty (Malaya) Sdn. Bhd. Southern Keratong Plantations Sdn. Bhd. Victory Enghoe Plantations Sdn. Bhd. Southern Edible Oil Industries (M) Sdn. Berhad	330 287 115 248	229 107 186 167
Southern Hockjoo Plantation Sdn. Bhd. Southern Products Marketing Sdn. Bhd. Banting Hock Hin Estate Company Sdn. Bhd. Kumsobina Development Sdn. Bhd. KeeHup Southern Realty Sdn Bhd (formerly	16 33 40 7	12 31 11 6
known as Kee Hup Oil & Cake Sdn. Bhd.) Maxcentury Oil Palm (Sabah) Sdn. Bhd. Victory Investment Company Sdn. Bhd. Southern Realty Plantation Company Sdn. Bhd. Southern Realty Resource Sdn. Bhd.	7 8 4 4	6 15 6 2 3
Bekalan Utama Sdn. Berhad Bukit Rotan Palm Oil Sdn. Bhd. Guan Heng Edible Oil Industries Sdn. Bhd. Naga Wira Sdn. Berhad Perindustrian Sawit Karak Sdn. Bhd.	3 2 2 2 2	2 2 1 1 2
Torita Rubber Works Sdn. Bhd. Torita Trading (M) Sdn. Bhd. Fermanagan Biobridge Sdn. Bhd.	1 - 167	1 1 71
Other receivables, deposits and prepaid expenses Southern Edible Oil Industries (M) Sdn. Berhad	1,282	163
Trade payables Southern Edible Oil Industries (M) Sdn. Berhad Southern Realty (Malaya) Sdn. Bhd. Bukit Rotan Palm Oil Sdn. Bhd.	922 143 5	- 146 5
BUNIL NOLAH FAIHI OH SUH. BHU.	1,070	151

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 26. RELATED COMPANIES AND RELATED PARTY TRANSACTIONS (CONT'D)

#### **Compensation of Key Management Personnel**

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel of the Group and of the Company includes Executive Directors and Non-Executive Directors of the Company and certain members of senior management of the Company and heads of major subsidiary companies of the Group.

The remuneration of Directors and other members of key management during the financial year are as follows:

	The	The Group		Company
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Short-term employment benefits	9,928	9,584	3,500	3,461
Post-employment benefits	764	1,066	275	333
	10,692	10,650	3,775	3,794

Included in the total compensation of key management personnel are:

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors' remuneration (Note 7)	4,160	4,129	2,311	2,105

The estimated monetary value of benefit-in-kind received by the Directors and other members of key management otherwise than in cash from the Group and the Company amounted to RM226,869 and RM111,528 (2024: RM299,917 and RM114,138) respectively.

#### 27. AMOUNT OWING BY AN ASSOCIATE COMPANY

The amount owing by an associate company, which arose from trade and non-trade transactions, are unsecured, interest free and repayable on demand.

#### 28. CASH AND CASH EQUIVALENTS

	The Group		Group The Co	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	195,016	208,621	2,567	13,019
Fixed deposits with licensed banks	46,074	51,221	-	-
Short-term placements	144,333	137,180	14,143	6,876
-	385,423	397,022	16,710	19,895
Less: Deposits with maturities in excess of three months	(402)	(447)	-	-
_	385,021	396,575	16,710	19,895
-				



#### 28. CASH AND CASH EQUIVALENTS (CONT'D)

The short-term placements of the Group and of the Company represent investment in trust funds managed by licensed investment management companies, which is tax exempt, fixed-deposit-linked and allows prompt redemption at any time.

The effective interest rates for fixed deposits of the Group range from 3.20% to 5.00% (2024: 2.40% to 4.25%) per annum and have maturity periods ranging from 1 day to 1 year (2024: 1 day to 1 year).

The effective interest rates for short-term placements of the Group range from 2.85% to 3.59% (2024: 2.98% to 3.55%) and have no fixed maturity period which allows prompt redemption on demand.

Analysis of cash and cash equivalents by currency is as follows:

	The Group		The C	Company
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	173,290	165,169	16,710	19,895
Indonesian Rupiah	201,453	207,604	-	-
United States Dollar	10,668	24,242	-	-
Hong Kong Dollar	12	7	-	-
	385,423	397,022	16,710	19,895

#### 29. ASSET CLASSIFIED AS HELD FOR SALE

	The	The Group		Company	
	2025	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	
At beginning of the financial year Transfer from investment in an	-	-	-	-	
associate company (Note 17)	2,404	-	917	-	
At end of the financial year	2,404	-	917	-	

On 24 March 2025, the Company entered into two Share Sale Agreements for the disposal of its equity interest in an associate company, PKE (Malaysia) Sdn Bhd. The disposals involved the sale of 936,500 shares and 36,250 shares to Mr. Lim Wei Chuen and Kong Global Capital Sdn Bhd, for a total consideration of RM1,873,000 and RM79,025 respectively.

The disposal process is expected to be completed within the next financial year. Following the completion and perfection of the share transfers to the respective buyers, PKE (Malaysia) Sdn Bhd will cease to be an associate company of Southern Acids (M) Berhad.

#### 30. SHARE CAPITAL

	The Group and the Company			
		2025		2024
ı	No. of shares ('000)	Amount RM'000	No. of shares ('000)	Amount RM'000
Issued and fully paid: Ordinary shares:				
At beginning/end of the financial year	136,934	171,255	136,934	171,255

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 31. RESERVES

The Group		The Group The Cor		Company
2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	
(33,978)	(9,065)	-	-	
(322)	(322)	-	-	
12,178	15,660	12,178	15,660	
(22,122)	6,273	12,178	15,660	
630,610	602,042	141,620	130,465	
608,488	608,315	153,798	146,125	
	2025 RM'000 (33,978) (322) 12,178 (22,122) 630,610	2025 2024 RM'000 RM'000  (33,978) (9,065) (322) (322) 12,178 15,660  (22,122) 6,273  630,610 602,042	2025 RM'000 RM'000 RM'000  (33,978) (9,065) (322) 12,178 15,660 12,178  (22,122) 6,273 12,178  630,610 602,042 141,620	

#### Foreign exchange reserve

Exchange differences arising on the translation of the financial statements of the foreign controlled entities are taken to the foreign exchange reserve, as described in the accounting policies.

#### Other reserve

Other reserve comprises excess of consideration paid for the acquisition of additional carrying amount of non-controlling interests in a subsidiary company.

#### Fair value reserve

Fair value reserve comprises fair value changes of other investments.

#### **Retained earnings**

Distributable reserves are those available for distribution as dividends. The entire retained earnings of the Company are available for distribution of dividends under the single tier tax system.

#### 32. LOANS AND BORROWINGS

	The	The Group	
	2025 RM'000	2024 RM'000	
Unsecured: Bankers' acceptances Term loan	15,000 -	20,000 900	
	15,000	20,900	
Current portion: Bankers' acceptances Term loan	15,000 -	20,000 900	
	15,000	20,900	

The unsecured term loan and bankers' acceptance of the Group bore effective interest rate at 5.46% and 4.17% (2024: 5.12% and 4.07%) per annum, respectively.



#### 33. HIRE PURCHASE PAYABLES

	The Group	
	2025 RM'000	2024 RM'000
Minimum lease payments Less: Future finance charges	1,955 (216)	842 (68)
Present value of hire purchase liabilities Less: Amount due within 12 months	1,739	774
(shown under current liabilities)	(858)	(406)
Non-current portion	881	368

The non-current portion is payable as follows:

	2025 RM'000	2024 RM'000
Between 1 - 2 years Between 2 - 5 years	642 239	358 10
	881	368

The average term of hire purchase is approximately 3 years (2024: 3 years). For the financial year ended 31 March 2025, the effective borrowing rate ranged from 5.00% to 11.74% (2024: 8.35% to 11.00%) per annum. Interest rates are fixed at the inception of the hire purchase arrangements. The Group's hire purchase payables are denominated in Indonesian Rupiah and are secured by the financial institutions' charge over the assets under hire purchase. The carrying amount of RM2,501,133 (2024: RM1,435,202) of property, plant and equipment under hire purchase are pledged to the bank as described in Note 13(iv).

#### 34. LEASE LIABILITIES

	The Group	
	2025 RM'000	2024 RM'000
At beginning of the financial year Lease modification	3,141 85	4,104
Additions Finance costs (Note 9)	- 113	409 171
Payment of lease rental	(1,533)	(1,543)
At end of the financial year	1,806	3,141
Payable within 1 year Payable more than 1 year but less than 5 years	1,421 385	1,421 1,720
	1,806	3,141

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 34. LEASE LIABILITIES (CONT'D)

	The Company	
	2025 RM'000	2024 RM'000
At beginning of the financial year Lease modification Finance costs (Note 9) Payment of lease rental	- - -	35 (9) * (26)
At end of the financial year	-	-

<sup>\*</sup>Less than RM1,000

The minimum lease payments for the lease liabilities are payable as follows:

The Group	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum payments RM'000
31 March 2025			
Outstanding contracts Less than 1 year Between 1 - 5 years	1,533 387	(112) (2)	1,421 385
	1,920	(114)	1,806
31 March 2024			
Outstanding contracts Less than 1 year Between 1 - 5 years	1,757 1,828	(336) (108)	1,421 1,720
	3,585	(444)	3,141

The incremental borrowing rates of the Group applied to the lease liabilities ranges from 4.77% to 6.05% (2024: 2.27% to 5.15%) per annum.



#### 35. PROVISION FOR RETIREMENT BENEFITS

The Group and the Company operate unfunded defined Retirement Benefit Gratuity Schemes for the eligible employees. A lump sum benefit is payable to the eligible employees on attaining the mandatory retirement age range from 58 to 60 (2024: 55 to 60) calculated with reference to their length of service and last drawn salary. The eligible employees are those who have served a minimum of 10 years with the Group and the Company.

Movements in net liability during the financial year are as follows:

	Malaysia RM'000	The Group Indonesia RM'000	Total RM'000
As at 1 April 2023	7,597	8,283	15,880
Adjustment due to change in attribution period (Note 8) Additions in current financial year (Note 8)	- 800	(2,025) 1,467	(2,025) 2,267
Askundal valia odalna funna alamana in	800	(558)	242
Actuarial gain arising from changes in financial assumptions Benefits paid Effects of foreign exchange translation	(266)	(316) (397) 104	(316) (663) 104
As at 31 March 2024/1 April 2024	8,131	7,116	15,247
Additions in current financial year (Note 8) Transfer from subsidiary and associate	815	1,219	2,034
companies (Note 8)	37	-	37
Actuarial gain arising from changes in	852	1,219	2,071
financial assumptions	2,376	(1,991)	385
Benefits paid	(620)	(231)	(851)
Effects of foreign exchange translation	-	(670)	(670)
As at 31 March 2025	10,739	5,443	16,182

	The Company	
	2025 RM'000	2024 RM'000
At beginning of the financial year Additions in current financial year (Note 8) Transfer from subsidiary and associate companies (Note 8) Actuarial gain arising from changes in	1,426 156 49	1,340 146 -
financial assumptions Benefits paid	137 	(60)
At end of the financial year	1,768	1,426

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 35. PROVISION FOR RETIREMENT BENEFITS (CONT'D)

The amount recognised in the statements of financial position are analysed as follows:

	Malaysia RM'000	The Group Indonesia RM'000	Total RM'000
2025 Present value of defined benefit obligations	10,739	5,443	16,182
2024 Present value of defined benefit obligations	8,131	7,116	15,247
		The 0 2025 RM'000	Company 2024 RM'000
Present value of defined benefit obligations	_	1,768	1,426

Movements in present value of defined benefit obligations during the financial year are as follows:

	Malaysia RM'000	The Group Indonesia RM'000	Total RM'000
2025			
At beginning of the financial year	8,131	7,116	15,247
Current service cost (Note 8)	467	756	1,223
Interest cost on obligation (Note 8)	348	463	811
Transfer from subsidiary and associate companies (Note 8)	37	-	37
_	852	1,219	2,071
Actuarial gain arising from changes	0.076	(4.004)	005
in financial assumptions Benefits paid	2,376 (620)	(1,991) (231)	385 (851)
Effects of foreign exchange translation	(620)	(231) (670)	(670)
Effects of foreign exchange translation	<u> </u>	(070)	(070)
At end of the financial year	10,739	5,443	16,182
2024			
At beginning of the financial year	7,597	8,283	15,880
7 to boginning of the initiational your			.0,000
Adjustment due to change in attribution period (Note 8)	-	(2,025)	(2,025)
Current service cost (Note 8)	466	897	1,363
Interest cost on obligation (Note 8)	334	570	904
	800	(558)	242
Actuarial gain arising from changes		, ,	
in financial assumptions	-	(316)	(316)
Benefits paid	(266)	(397)	(663)
Effects of foreign exchange translation	-	104	104
At end of the financial year	8,131	7,116	15,247



### 35. PROVISION FOR RETIREMENT BENEFITS (CONT'D)

The amounts recognised in the statements of profit or loss and other comprehensive income are as follows:

	Malaysia RM'000	The Group Indonesia RM'000	Total RM'000
2025 Transfer from subsidiary and associate companies (Note 8) Current service cost (Note 8) Interest cost on obligation (Note 8)	37 467 348	- 756 463	37 1,223 811
	852	1,219	2,071
2024 Adjustment due to change in attribution period (Note 8) Current service cost (Note 8) Interest cost on obligation (Note 8)	- 466 334	(2,025) 897 570	(2,025) 1,363 904
<u> </u>	800	(558)	242
_			Company
		2025 RM'000	2024 RM'000
Transfer from subsidiary and associate companies (Note 8) Current service cost (Note 8) Interest cost on obligation (Note 8)		49 113 43	109 37
	-	205	146
The principal actuarial assumptions used as at the end of the report	ting period are as fo	llows:	
		2025	2024
Malaysia Discount rate (%) Future salary increments (%) Normal retirement age: Male		4.30 6.00	4.70 5.00
Female	-	60	60
Indonesia Discount rate (%) Future salary increments (%) Normal retirement age:		7.22 10.00	6.90 10.00
Male Female	_	58 58	55 55

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 35. PROVISION FOR RETIREMENT BENEFITS (CONT'D)

#### Sensitivity analysis on defined benefit plan

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- 1. If the discount rate decrease/(increase) by 1%, the defined benefit obligation would increase and decrease by RM1,563,000 (2024: RM1,254,000) and RM1,413,000 (2024: RM1,226,000) respectively.
- 2. If the expected salary growth increase/(decrease) by 1%, the defined benefit obligation would increase and decrease by RM1,480,000 (2024: RM1,500,000) and RM1,333,000 (2024: RM1,332,000) respectively.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statements of financial position.

#### 36. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

#### (a) Trade Payables

Trade payables comprise amounts outstanding for trade purchases. The credit period granted to the Group for trade purchases ranges from 7 to 60 (2024: 7 to 60) days.

Analysis of currency profile of trade payables is as follows:

	The	The Group	
	2025 RM'000	2024 RM'000	
Ringgit Malaysia Indonesian Rupiah United States Dollar	13,402 16,220	14,130 17,380 99	
	29,622	31,609	



#### 36. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES (CONT'D)

#### (b) Other Payables and Accrued Expenses

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Other payables	25,670	23,659	12,443	17,500
Accrued expenses	14,817	26,565	1,828	2,157
Deposits received	168	175	-	-
Dividend payable	121	121	121	121
	40,776	50,520	14,392	19,778
Less: Amount due within 12 months	(32,926)	(37,520)	(6,542)	(6,778)
Non-current portion	7,850	13,000	7,850	13,000

The non-current portion is payable as follows:

		roup and Company
	2025 RM'000	2024 RM'000
Between 1 - 2 years Between 2 - 5 years	4,056 3,794	9,000 4,000
	7,850	13,000

Other payables arose mainly in respect of indirect costs and administrative expenditures. These amounts are unsecured, interest-free and are repayable within 60 days (2024: 60 days) from the transaction dates.

Included in other payables of the Group and the Company is the outstanding amount payable to Low Mong Hua Sdn Bhd ("LMHSB") for the acquisition of 300,000 ordinary shares in Firstview Development Sdn Bhd ("FVD") totalling RM13,000,000 (2024: RM17,500,000), of which RM4,500,000 (2024: RM4,500,000) is to be repaid in the next financial year and the remaining amount in the following years as mentioned in the table above. The interest imputed on deferred payment is 5.67% per annum.

Analysis of currency profile of other payables, accrued expenses, deposits received and dividend payable is as follows:

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	34,050	42,967	14,392	19,778
Indonesian Rupiah	6,220	7,316	-	-
Hong Kong Dollar	213	221	=	-
United States Dollar	293	16	-	-
	40,776	50,520	14,392	19,778

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 37. CONTRACT LIABILITIES

The contract liabilities represent advance consideration received from customers for trade purchases.

The revenue recognised in these current reporting period amounting to RM6,427,000 (2024: RM7,451,000) relates to brought-forward advance from customers. There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

Analysis of currency profile of contract liabilities is as follows:

	The	The Group		
	2025 RM'000	2024 RM'000		
Ringgit Malaysia Indonesian Rupiah	1,063 6,047	2,308 2,767		
United States Dollar	1,524	1,352		
	8,634	6,427		

#### 38. BANKING FACILITIES

The Group and the Company have bank guarantee and other credit facilities amounting to RM71,000,000 and RM6,000,000 (2024: RM77,000,000 and RM6,000,000) respectively, out of which RM65,000,000 (2024: RM65,000,000) of the Group's credit facilities are secured by the corporate guarantee from the Company.

These facilities bear interest at rate of 4.17% - 5.46% (2024: 4.07% - 5.12%) per annum.

As at 31 March 2025, the Group and the Company have utilised RM21,038,000 and RM760,000 (2024: RM31,842,000 and RM760,000) respectively, of the bank guarantee and other credit facilities.

#### 39. DIVIDENDS

		Broup and Company
	2025 RM'000	2024 RM'000
Final dividend of 5 sen, single tier, in respect of financial year ended:		
- 31 March 2024	6,847	-
- 31 March 2023	-	6,847

#### 40. SEGMENTAL INFORMATION

For the Group's chief operating decision maker ("CODM") purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- (i) Oleochemical Manufacturing
- (ii) Healthcare Services
- (iii) Milling & Cultivation
- (iv) Investments & Services

The entities included in the respective reportable operating segments have changed from the financial year ended 31 March 2025 due to the changes in the internal management reporting structure to the CODM. Comparatives have been restated to conform to the revised reportable operating segments.

Segment revenue, expenses and results include transactions between business segments and are eliminated on consolidation.

The inter-segment transactions, terms, conditions, and prices are determined based on negotiations agreed between the parties.

The Group 2025	Oleochemical Manufacturing RM'000	Healthcare Services RM'000	Milling & Cultivation RM'000	Investment & Services RM'000	Eliminations RM'000	The Group RM'000
Revenue External sales External dividend income Inter-segment sales	405,352 - -	122,539 - -	540,249 - -	19,567 2,823 9,985	- - (9,985)	1,087,707 2,823 -
Total revenue	405,352	122,539	540,249	32,375	(9,985)	1,090,530
Financial Results Segment results	(22,938)	33,879	67,854	(5,102)	-	73,693
Profit from operations						73,693
Finance costs						(1,945)
Share of results of an associate company						515
Profit before tax						72,263
Income tax expense						(21,302)
Profit for the financial year						50,961
Other Information: Capital expenditure	4,702	8,048	25,312	2,411	-	40,473

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 40. SEGMENTAL INFORMATION (CONT'D)

The Group 2025	Oleochemical Manufacturing RM'000	Healthcare Services RM'000	Milling & Cultivation RM'000	Investment & Services RM'000	Eliminations RM'000	The Group RM'000
Non-cash expenses/(incor	ne):					
Depreciation of property,	•					
plant and equipment	3,641	8,412	9,063	3,606	=	24,722
Depreciation of right-of-						
use assets	821	197	10	353	-	1,381
Depreciation of investment						
properties	-	-	-	39	-	39
Provision for retirement						
benefits	429	-	1,305	337	-	2,071
Property, plant and				_		
equipment written off	1,028	45	-	2	-	1,075
Inventories written off	-	38	-	-	-	38
Reversal of write-down of	(747)					(747)
inventories	(717)	-	-	-	-	(717)
Impairment loss on property	, 7,710					7,710
plant and equipment Impairment loss on right-of-		-	-	-	-	7,710
use assets	260	_	_	_	_	260
Reversal of impairment loss		_	_	_	_	200
on trade receivables no	00					
longer required	(32)	(21)	_	<u>-</u>	-	(53)
Unrealised loss on foreign	(0=)	(= . /				(00)
exchange - net	448	_	793	-	-	1,241
(Gain)/Loss on disposal of						,
property, plant and						
equipment	19	-	(8)	(10)	-	1
Loss arising from fair value						
change in derivatives	323	-	-	-	-	323
Gain arising from fair value						
change in biological assets		-	(305)	=	=	(305)
Gain on lease modification	(39)	-	-	-	-	(39)
Accretion of interest on other	er					
payables	-	-	-	(1,321)	-	(1,321)
Unwinding of interest on				674		674
other payables	-	-	-	671	-	671 420
Other investment written off	-	- (12)	-	430	-	430 (12)
Waiver of specialist fee		(12)	-			(12)



### 40. SEGMENTAL INFORMATION (CONT'D)

The Group 2025	Oleochemical Manufacturing RM'000	Healthcare Services RM'000	Milling & Cultivation RM'000	Investment & Services RM'000	Eliminations RM'000	The Group RM'000
Statement of Financial Position Assets Segment assets Deferred tax assets Tax recoverable	137,895 - 2,775	142,970 - -	563,182 2,234 9,682	148,306 - 861	- - -	992,353 2,234 13,318
Consolidated assets						1,007,905
Liabilities Segment liabilities Deferred tax liabilities Tax liabilities	39,483 - -	19,973 2,598 406	36,977 - 3,773	18,055 3,675 50	- - -	114,488 6,273 4,229
Consolidated liabilities						124,990
2024						
Revenue External sales External dividend income Inter-segment sales	356,142 - -	117,959 - -	413,259 - -	17,478 3,125 9,324	- - (9,324)	904,838 3,125 -
Total revenue	356,142	117,959	413,259	29,927	(9,324)	907,963
Financial Results Segment results	(32,090)	35,827	49,020	(8,235)	-	44,522
Profit from operations						44,522
Finance costs						(808)
Share of results of an associate company						(548)
Profit before tax						43,166
Income tax expense						(18,626)
Profit for the financial year						24,540

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 40. SEGMENTAL INFORMATION (CONT'D)

The Group 2024	Oleochemical Manufacturing RM'000	Healthcare Services RM'000	Milling & Cultivation RM'000	Investment & Services RM'000	Eliminations RM'000	The Group RM'000
Other Information: Capital expenditure	1,023	5,032	24,582	3,776	-	34,413
Non-cash expenses/(inco	me):					
Depreciation of property, plant and equipment Depreciation of right-of-	3,787	7,697	8,532	3,471	-	23,487
use assets Depreciation of investment	821	205	-	351	-	1,377
properties Provision for retirement	-	-	-	16	-	16
benefits Property, plant and	433	-	(555)	364	-	242
equipment written off Inventories written off	6 -	24 18	-	948	-	978 18
Reversal of write-down of inventories	(2,733)	-	-	-	-	(2,733)
Impairment losses on trade receivables Unrealised loss on foreign	27	943	-	-	-	970
exchange - net (Gain)/Loss on disposal of	20	-	40	-	-	60
property, plant and equipment Gain arising from fair value	(7)	86	42	-	-	121
change in derivatives Loss arising from fair value	(1,321)	-	-	-	-	(1,321)
change in biological asset Waiver of specialist fees	s - -	(8)	538 -	-	- -	538 (8)
Statement of Financial Po	sition					
Segment assets Deferred tax assets Tax recoverable	169,686 - 2,775	139,255 - -	548,593 1,996 11,675	144,268 - 695	- -	1,001,802 1,996 15,145
Consolidated assets	,		,			1,018,943
Liabilities Segment liabilities Deferred tax liabilities Tax liabilities	47,829 - -	25,946 2,764 1,401	38,006 - 1,514	19,647 3,107 31	- - -	131,428 5,871 2,946
Consolidated liabilities						140,245



#### 40. SEGMENTAL INFORMATION (CONT'D)

#### **Geographical Segments**

The Group's operations are located in Malaysia and Indonesia.

The following is an analysis of the Group's revenue by geographical market:

	venue by ical market 2024 RM'000
281,469	223,986
	408,414
	145,394
66,297	56,486
57,796	38,253
20,030	35,430
1,090,530	907,963
	geograph 2025 RM'000 281,469 534,072 130,866 66,297 57,796 20,030

The following is an analysis of the carrying amount of total assets and capital expenditure by the geographical area in which the assets are located:

	-	ing amount otal assets	Capital expenditure	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Asia:				
Malaysia	588,225	612,663	15,165	9,959
Indonesia	391,729	376,959	25,308	24,454
Others	5,212	11,124	-	_
Europe	1,608	10,933	-	-
America	20,561	4,689	-	-
Others	570	2,575	-	-
	1,007,905	1,018,943	40,473	34,413

The Group's operations are diverse in terms of the range of products and services it offers and the geographical coverage. There is no single customer that contributed 10% or more to the Group's revenue.

#### 41. CAPITAL COMMITMENTS

As at 31 March 2025, the Group has approved and contracted for capital commitments in respect of purchase of property, plant and equipment amounting to RM14,854,000 (2024: RM21,505,000).

#### 42. CORPORATE GUARANTEES

As at 31 March 2025, the Company has issued corporate guarantees without security to licensed financial institutions for credit facilities totalling RM65,000,000 (2024: RM65,000,000) granted to a Malaysian subsidiary company. The financial guarantees have not been recognised since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiary company's banking facilities and it is not probable that the counterparties to financial guarantee contracts will claim under the contracts.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 43. FINANCIAL INSTRUMENTS

#### Capital risk management

The objective of the Group's and of the Company's capital risk management is to safeguard the Group's and the Company's ability to continue as a going-concern while maximising the return to shareholders through the optimisation of equity balance.

The capital structure of the Group and of the Company comprises mainly of issued share capital and reserves. The Group and the Company review their capital structure at least annually to ensure that the Group and the Company will be able to continue as a going-concern.

The Group and the Company are not subject to any externally imposed capital requirements.

#### Categories of financial instruments

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial assets				
FVTOCI:				
Other investments	38,120	42,032	38,120	42,032
FVTPL:	•			
Derivative financial assets	807	2,521	-	-
Short-term placements	144,676	137,180	14,143	6,876
Amortised cost:				
Trade receivables	48,225	61,938	-	-
Other receivables and refundable deposits	62,270	43,312	4,237	174
Amount owing by subsidiary companies	-	-	1,838	1,531
Amount owing by an associate company	2,095	864	67	57
Cash and bank balances	195,016	208,621	2,567	13,019
Fixed deposits with licensed banks	46,074	51,221	-	
Financial liabilities FVTPL:				
Derivative financial liabilities	37	1,428	-	-
Amortised cost:				
Trade payables	29,622	31,609	-	-
Other payables and accrued expenses	40,776	50,520	14,392	19,778
Amount owing to subsidiary companies	-	-	116	72
Payables for KKPA Program	692	1,382	-	-
Loans and borrowings	15,000	20,900	-	-
Hire purchase payables	1,739	774	-	-
Lease liabilities	1,806	3,141	-	

#### Material accounting policies

Details of the material accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial assets, financial liabilities and equity instrument are disclosed in Note 3.

#### 43. FINANCIAL INSTRUMENTS (CONT'D)

#### Financial risk management objectives

The operations of the Group and of the Company are subject to a variety of financial risks, including foreign currency risk, price fluctuation risk, credit risk and liquidity risk. The Group and the Company have taken measures to minimise their exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

#### Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company undertake trade transactions in foreign currencies, which are mainly denominated in United States Dollar, Euro, Pound Sterling, and Indonesian Rupiah, with their trade debtors and trade creditors where the amounts outstanding are exposed to currency fluctuation risks.

The Group also holds cash and bank balances denominated in United States Dollar, Hong Kong Dollar and Indonesian Rupiah for working capital purposes.

The Group and the Company enter into foreign currency forward contracts in the normal course of business to manage their exposure against foreign currency fluctuations on sales and purchase transactions denominated in foreign currencies.

The Group's and the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Α	Liabilities		
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
The Group				
United States Dollar ("USD")	32,632	57,117	1,817	1,467
Indonesian Rupiah ("IDR")	242,837	239,873	30,918	29,619
Euro ("EUR")	1,640	3,613	-	-
Pound Sterling ("GBP")	486	203	-	-
Hong Kong Dollar ("HKD")	100	100	213	221
The Company				
HKD		-	52	72

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 43. FINANCIAL INSTRUMENTS (CONT'D)

#### Sensitivity analysis on translation of foreign currency denominated assets and liabilities

The Group and the Company conduct business transactions in foreign currency and hence are subject to risks associated with fluctuations in rates of exchange of foreign currencies. The following table details the Group's and the Company's sensitivity to a 10% increase and decrease in the Ringgit Malaysia against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 10% change in foreign currency rates.

If the relevant foreign currency strengthens/weakens by 10% against the functional currency of each group entity, profit or loss will increase/(decrease) by:

	USD RM'000	HKD RM'000	GBP RM'000	EUR RM'000	IDR RM'000
The Group 2025 Strengthened 10% Weakened 10%	3,082 (3,082)	(11) 11	49 (49)	164 (164)	21,192 (21,192)
2024 Strengthened 10% Weakened 10%	5,565 (5,565)	(12) 12	20 (20)	361 (361)	21,025 (21,025)
The Company 2025 Strengthened 10% Weakened 10%	<del>-</del>	(5) 5	- -	<u>-</u> -	- -
2024 Strengthened 10% Weakened 10%	- -	(7) 7	- -	- -	- -

The above sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the year end exposure does not reflect the exposure during the financial year.

#### 43. FINANCIAL INSTRUMENTS (CONT'D)

#### Forward foreign exchange contracts

At the end of the reporting period, the Group has foreign currency forward contracts, with maturities within the next twelve months, for the following notional amounts:

Average exchange rate	Foreign currency USD'000	Notional value RM'000	Fair value RM'000
4.4325 4.4338	6,158 558	27,295 2,474	27,292 2,473
	6,716	29,769	29,765
4.6837 4.6809	11,927 4,255	55,861 19,918	56,300 20,087
4.6365	-	14,721 90,500	14,987 ———— 91,374
	exchange rate 4.4325 4.4338	exchange rate Currency USD'000  4.4325 6,158 4.4338 558 6,716  4.6837 11,927 4.6809 4,255	exchange rate         Foreign currency USD'000         Notional value RM'000           4.4325 4.4338         6,158 558 2,474           6,716 29,769           4.6837 11,927 55,861 4.6809 4,255 19,918 4.6365 3,175 14,721

#### Price fluctuation risk management

The Group is exposed to the price fluctuation of raw materials used in the operations in particular commodities such as crude palm oil and refined palm oils. The Company mitigates its risk to the price fluctuation on these key raw materials by entering into commodity future contracts to minimise exposure to adverse price movements of these key raw materials.

#### **Commodity future contracts**

During the reporting period, the Group entered into commodity future contracts, with maturities within the next twelve months.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 43. FINANCIAL INSTRUMENTS (CONT'D)

#### Commodity future contracts (cont'd)

The following table details the commodity future contracts outstanding as at the end of the reporting period:

Outstanding contracts	Quantity (metric tonne) MT	Notional value/ Contract value RM'000	Fair value RM'000
Buy Crude Palm Oil			
31 March 2025 Contract period for 6 months	3,950	17,584	18,387
31 March 2024 Contract period for 4 months	7,725	29,733	32,253
Sell Crude Palm Oil			
31 March 2025 Contract period for 3 months	1,400	6,482	6,519
31 March 2024 Contract period for 4 months	3,025	12,440	12,995

#### Credit risk management

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including other investments, cash and cash equivalents and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises primarily from amount owing by subsidiary companies. The maximum exposure to credit risk in relation to the financial corporate guarantees given amounts to RM20,277,862 (2024: RM25,082,427) as at the end of the reporting period representing the outstanding banking facilities of the subsidiary as at the end of financial year as described in Note 42. The Company monitors on an ongoing basis the results of the subsidiary companies, and repayments made by the subsidiary companies.

Credit risk is controlled by careful selection of customers, setting credit limit and the period of credit.

The Group has no significant concentration of credit risk except for amounts due from 3 (2024: 5) major customers, which constitutes approximately 21% (2024: 32%) of the total trade receivables as disclosed in Note 24.

The Group's objective is to seek continual growth while minimising losses incurred due to credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers are subject to credit verification procedures. Receivables are monitored on an ongoing basis.

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position, including derivatives with positive fair values.

#### 43. FINANCIAL INSTRUMENTS (CONT'D)

#### Liquidity risk management

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company practice prudent liquidity risk management to minimise the mismatch of financial assets and financial liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

The financial liabilities of the Group and of the Company, categorised as financial liabilities measured at amortised cost and FVTPL are non-interest bearing and have maturities within the next twelve months except for loans and borrowings, hire purchase payables, and lease liabilities.

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment of obligations.

	Weighted average effective interest rate per annum %	Less than 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total contractual amount RM'000	Total carrying amount RM'000
The Group 31 March 2025						
Financial liabilities Non-interest bearing:						
Derivative financial liabilities	-	37	-	-	37	37
Trade payables	-	29,622	-	-	29,622	29,622
Other payables and accrued expenses Payables for KKPA Program	-	28,426	692	-	28,426 692	28,426 692
r ayabics for filti / tr rogram	_					
	_	58,085	692	-	58,777	58,777
Interest bearing:						
Loans and borrowings	4.17 - 5.46	15,142	-	-	15,142	15,000
Hire purchase payables	5.00 - 11.74	998	957	-	1,955	1,739
Lease liabilities	4.77 - 6.05	1,533	387	-	1,920	1,806
Other payables	5.67	4,500	8,500	-	13,000	12,350
		22,173	9,844	-	32,017	30,895
	_	80,258	10,536	-	90,794	89,672

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 43. FINANCIAL INSTRUMENTS (CONT'D)

	Weighted average effective interest rate per annum %	Less than 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total contractual amount RM'000	Total carrying amount RM'000
The Group 31 March 2024						
Financial liabilities Non-interest bearing: Derivative financial liabilities Trade payables Other payables and accrued expenses Payables for KKPA Program	- - - -	1,428 31,609 37,520	- - 13,000 1,382	- - - -	1,428 31,609 50,520 1,382	1,428 31,609 50,520 1,382
		70,557	14,382	-	84,939	84,939
Interest bearing: Loans and borrowings Hire purchase payables Lease liabilities	4.07 - 5.12 8.35 - 11.00 2.27 - 5.15	21,760 453 1,757 23,970 94,527	389 1,828 2,217 16,599	-	21,760 842 3,585 26,187 111,126	20,900 774 3,141 24,815 109,754
The Company 31 March 2025						
Financial liabilities  Non-interest bearing: Other payables and accrued expenses Amount owing to a subsidiary company	<u>:</u> :	2,042 116 2,158	:	- -	2,042 116 2,158	2,042 116 2,158
Interest bearing:	<b>-</b> c-	,			40.000	40.000
Other payables	5.67	4,500	8,500	-	13,000	12,350
Cinonaial augrantae as attache		6,658	8,500	-	15,158	14,508
Financial guarantee contracts	-	20,278	-	-	20,278	-



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 43. FINANCIAL INSTRUMENTS (CONT'D)

	Weighted average effective interest rate per annum %	Less than 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total contractual amount RM'000	Total carrying amount RM'000
The Company 31 March 2024						
Financial liabilities Non-interest bearing:						
Other payables and accrued expenses	-	2,278	13,000	-	19,778	19,778
Amount owing to a subsidiary company	-	72	-	_	72	72
	_	2,350	13,000	-	19,850	19,850
Financial guarantee contracts	-	25,082	-	-	25,082	-

#### Fair values of financial instruments

(a) Financial instruments carried at amortised cost

The Directors consider that the carrying amounts of financial assets and financial liabilities carried at amortised cost in the financial statements approximate their fair values due to their relatively short maturity periods except for non-current portion of other payables, term loan, hire purchase payables, and lease liabilities for which the fair value changes are determined to be immaterial. The fair value is estimated based on discounted cash flow using current interest rate for similar instruments at the end of the reporting period.

- (b) Other financial instruments at fair value
  - (i) Other investments

The fair value of other investments in quoted shares is estimated based on the market value as at the end of the reporting period.

(ii) Derivative financial assets/liabilities

The fair values of derivatives are calculated using quoted prices. Foreign currency forward contracts and commodity future contracts are measured using quoted forward exchange rates, future rates and yield curves derived from independent and reputable sources matching maturities of the contracts.

(iii) Short-term placements

Fair value of the short-term placements has been determined by reference to the net assets value of the placements at the end of the reporting period as quoted by the fund managers.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 43. FINANCIAL INSTRUMENTS (CONT'D)

## Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

• Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

• Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 March 2025				
Financial Assets/(Liabilities)				
The Group Other investments Commodity future contracts Foreign currency forward contracts Short-term placements	38,120 - - 144,676	766 4 -	- - - -	38,120 766 4 144,676
The Company Other investments Short-term placements	38,120 14,143	Ē	-	38,120 14,143
31 March 2024				
Financial Assets/(Liabilities)				
The Group Other investments Commodity future contracts Foreign currency forward contracts Short-term placements	42,032 - - 137,180	1,967 (874)	- - - -	42,032 1,967 874) 137,180
The Company Other investments Short-term placements	42,032 6,876	-	- -	42,032 6,876



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 44. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing are those for which cash flows were, or future cash flows will be, classified as financing activities in the statements of cash flows of the Group and of the Company.

	The Group	
	2025	2024
	RM'000	RM'000
Loans and borrowings (Note 32)		
At beginning of the financial year	20,900	2,100
Drawdown	135,000	70,000
Repayment	(140,900)	(51,200)
Finance costs paid (Note 9)	(1,011)	(545)
Accretion of interest	1,011	545
At end of the financial year	15,000	20,900
Hiro purchase payables (Note 22)		
Hire purchase payables (Note 33) At beginning of the financial year	774	926
Acquisition of property, plant and equipment by hire purchase	1,890	836 536
	•	
Repayment	(795)	(607)
Finance costs paid (Note 9)	(150)	(92)
Accretion of interest	150	92
Effect of foreign exchange translation	(130)	9
At end of the financial year	1,739	774
Lease liabilities (Note 34)		
At beginning of the financial year	3,141	4,104
Lease modification	85	-
Additions	-	409
Repayment	(1,420)	(1,372)
Finance costs paid (Note 9)	(113)	(171)
Accretion of interest	113	171
At end of the financial year	1,806	3,141
	The C	Company
	`2025	2024
	RM'000	RM'000
Lease liabilities (Note 34)		
At beginning of the financial year	-	35
Modification	-	(9)
Repayment	-	(26)
Finance costs paid	-	*
Accretion of interest		*
At end of the financial year	-	-

<sup>\*</sup>Less than RM1,000

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

#### 45. OPERATING LEASE COMMITMENTS

Operating lease, in which the Group is the lessor, relates to a lease contract with lease term of 30 years. The lease contract contains upward revision of the rental charges every 10 years over the lease period.

	Th 2025 RM'000	e Group 2024 RM'000
Maturity analysis of operating lease receivable:		
Year 1	-	70
Year 2	=	70
Year 3	-	70
Year 4	-	70
Year 5	-	70
Year 6 and onwards	-	4,603
	-	4,953

#### 46. SIGNIFICANT EVENT DURING THE YEAR

During the financial year, the Group entered into two consent judgments.

The first consent judgement was sealed between Pembinaan Gejati Sdn Bhd ("PGET"), a subsidiary of the Group, a third-party Co-Plantiff and various Defendants for a settlement sum concerning land-related claims of trespassing, the use of the existing access road on PGET's land and matters arising from a compulsory land acquisition.

There were two settlement sums agreed as per the first consent judgement, as below:

- a) Settlement sum A to terminate the court case as well as to settle the Co-Plaintiff which has already been paid to PGET in December 2024 as disclosed in Note 8; and
- b) Settlement sum B is scheduled to be paid to PGET of a total amount of RM24 million in three separate instalments in which PGET will surrender a small portion of land to the State, subject to agreement by all parties and the relevant authority.

Regarding settlement sum A, PGET is obligated to use a portion of the settlement sum to settle a payment to its Co-Plaintiff as disclosed in Note 8. This payment pertains to the unilateral early termination of the affected PGET leased land, as outlined in the lease agreement dated 3 June 2022 to allow the execution of all terms in the consent judgment.

The second consent judgment sealed was in relation to a settlement of a Judicial Review concerning the process of the compulsory land acquisition by the authorities, which was concluded that the compulsory land acquisition will not proceed.



# STATEMENT BY DIRECTORS

The Directors of **SOUTHERN ACIDS (M) BERHAD** state that, in their opinion, the accompanying financial statements of the Group and of the Company are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

DATO' SRI DR. LOW KOK THYE	DATUK WIRA LIM KIM LONG
,	
Signed on behalf of the Board, as approved by the Board in accordance with a resolution of the Directors,	
the droup and of the company for the year shade on that date.	

Klang 7 July 2025

# DECLARATION

# BY THE OFFICER

PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, CHEONG KEE YOONG, the officer primarily responsible for the financial management of SOUTHERN ACIDS (M) BERHAD, do solemnly and sincerely declare that the accompanying financial statements of the Group and of the Company are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the requirements of the Statutory Declarations Act, 1960.

CHEONG KEE YOONG

(MIA Membership No. 12292)

Subscribed and solemnly declared by the abovenamed **CHEONG KEE YOONG** at **KLANG** in the state of **SELANGOR** this 7th day of July 2025.

Before me,

**COMMISSIONER FOR OATHS** 

# LIST OF PROPERTIES

No	Company and Location of Property	Date of acquisition/completion	Approximate Area	Type of Property/ Existing use	Tenure	Approximate Age of Building	Carrying Amount 31-Mar-25 RM'000
1	Pembinaan Gejati Sdn Bhd Thangamallay Estate, Lot 14480, 14481, 14482, 14483, Batu 7, Jalan Kebun Kampung Jaya, 42450 Klang Selangor	25-Jun-1995	261 hectares	Land/ Oil Palm Plantation	Freehold	N/A	139,868
	Lot 1095, Mukim Tanjong Duabelas, Kuala Langat, 42450 Klang, Selangor						
2	PT Wanasari Nusantara Kebun Wanasari Province of Riau, Sumatera Indonesia	Aug-2002	5,316 hectares	Land & building/ Oil Palm Cultivation, Palm Oil Mill, Workers Quarters	Leasehold expiring on 31-12-2029 and 29-1-2032	Ranging from 10 years to 36 years	22,198
3	Noble Interest Sdn Bhd P.T. 1288, Seksyen 14, Mukim Klang, Daerah Klang, Selangor	Sep-1999	1.62 acres/ 262,000 sq. ft.	Land & building / Hospital Building	Freehold	26 years	20,578
4	Southern Acids Industries Sdn Bhd Golconda Estate, Persiaran Hamzah Alang, 10th Mile, Jalan Kapar, 42200 Kapar, Klang, Selangor	Apr-1983	27.90 acres	Industrial building/ Oleochemical factory	N/A	Ranging from 30 years to 44 years	5,106
5	Imayos Letting Sdn Bhd Level 30 Centro Tower No 8 Jalan Batu Tiga Lama 41300 Klang, Selangor	24-Jan-2017	12,178 sq. ft.	Office building / Vacant	Freehold	18 years	4,176
6	PT Mustika Agro Sari Kebun Tanjung Pauh & Kebun Petai, Province of Riau, Sumatera Indonesia	Jun-2002	1,921 hectares	Vacant Land & building/ Oil Palm Cultivation, Palm Oil Mill, Workers Quarters	Leasehold expiring on 20-3-2036 and 9-4- 2036	23 years	3,638
7	SAB Properties Development Co. Sdn. Berhad G.M. 2172 Lot 2824, Mukim Klang, Daerah Klang, Selangor	Nov-1997	3.25 acres	Industrial land/ Vacant	Freehold	N/A	3,318
8	Southern Acids (M) Berhad Level 29 Centro Tower No 8 Jalan Batu Tiga Lama 41300 Klang, Selangor	1-Dec-2009	12,178 sq ft	Office building/ Corporate Office	Freehold	18 years	2,527
9	Noble Interest Sdn Bhd No. 31, Jalan Setia Duta U13/23W, Setia Eco Park, 40170 Shah Alam, Selangor Darul Ehsan	28-Aug- 2023	3,498 sq. ft	1 1/2 storey semi-detached house/ vacant	Freehold	2 years	1,903
10	PT Mustika Agro Sari Hak milik no. 1666 and no. 1214 Jl. OK M Jamil, Simpang Tiga Province of Riau, Pekanbaru Indonesia	30-Apr-2013	38,427 sq. ft	Land & building/ Office and Staff Quarters	Leasehold expiring 2044	12 years	1,752



# STATISTICS OF

# SHAREHOLDINGS AS AT 30 JUNE 2025

## **DISTRIBUTION SCHEDULE OF SHARE AS AT 30 JUNE 2025**

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shares Held
Less than 100	245	11.39	6,355	0.00
100 to 1,000	540	25.10	362,397	0.26
1,001 to 10,000	979	45.51	3,823,255	2.79
10,001 to 100,000	314	14.60	9,237,178	6.75
100,001 - 6,846,706 (less than 5% of issued shares)	69	3.21	46,262,092	33.78
6,846,707 (5% of issued Shares) and above	4	0.19	77,242,855	56.42
TOTAL	2,151	100.00	136,934,132	100.00

## LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 30 JUNE 2025

No.	Names	Shareholding	%
1.	Southern Palm Industries Sdn Bhd	42,840,270	31.29
2.	Lembaga Tabung Haji	15,482,500	11.31
3.	Southern Realty (Malaya) Sdn Bhd	11,527,419	8.42
4.	Rasional Sdn Bhd	7,392,666	5.40

## INFORMATION ON DIRECTORS SHAREHOLDINGS AS AT 30 JUNE 2025

		Direct Ho	oldings	Deemed Holdings	
No.	Name of Directors	Shareholdings	%	Shareholdings	%
1	Tan Sri Datuk Seri Panglima Sulong Bin Matjeraie	0	0.00	0	0.00
2	Dato' Sri Dr. Low Kok Thye	30,416	0.02	65,690,337	47.97
3	Datuk Wira Lim Kim Long	49,276	0.04	68,754,296	50.21
4	Chung Kin Mun	0	0.00	0	0.00
5	Stephen Wan Yeng Leong	0	0.00	0	0.00
6	Deborah Debbie Choa	0	0.00	0	0.00

# STATISTICS OF SHAREHOLDINGS AS AT 30 JUNE 2025 (CONT'D)

## **LIST OF TOP 30 HOLDERS**

No.	Name	No. of Shares Held	%
1	SOUTHERN PALM INDUSTRIES SDN BHD	42,840,270	31.285
2	LEMBAGA TABUNG HAJI	15,482,500	11.307
3	SOUTHERN REALTY (MALAYA) SDN BHD	11,216,419	8.191
4	RASIONAL SDN. BHD.	7,392,666	5.399
5	SOUTHERN EDIBLE OIL INDUSTRIES (M) SDN BERHAD	4,958,332	3.621
6	LOW MONG HUA SDN BHD	3,806,940	2.780
7	LIM THYE PENG REALTY SDN BHD	3,101,159	2.265
8	NG KIN LAN	2,801,941	2.046
9	ANGSANA SUTERA SDN BHD	2,714,942	1.983
10	DATARAN DAGANG ASIA SDN. BHD.	2,102,632	1.536
11	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD	2,076,100	1.516
	PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI		
12	OLIVE LIM SWEE LIAN	2,047,300	1.495
13	BANTING HOCK HIN ESTATE COMPANY SDN BHD	1,487,500	1.086
14	LOW MUN CHONG	1,188,398	0.868
15	TEO KWEE HOCK	1,007,700	0.736
16	SOUTHERN HOCKJOO PLANTATION SDN BHD	991,666	0.724
17	NG PHAIK LEAN	953,600	0.696
18	MAYBANK NOMINEES (TEMPATAN) SDN BHD	901,948	0.659
	PLEDGED SECURITIES ACCOUNT FOR LOW AI FUAH		
19	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD	900,000	0.657
	PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK (7004011)		
20	LOW AI HONG	899,604	0.657
21	SAI YEE @ SIA SAY YEE	800,000	0.584
22	TAN LAY HOON	785,118	0.573
23	NEONG KOK HOOI	775,600	0.566
24	NAGA WIRA SDN BERHAD	720,938	0.526
25	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD.	698,232	0.510
	PLEDGED SECURITIES ACCOUNT FOR OH BOON HONG (TM RAYA-CL)		
26	BEKALAN UTAMA SDN BERHAD	694,166	0.507
27	MONG TECK SDN BERHAD	559,972	0.409
28	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD	497,400	0.363
	PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK		
29	NEONG SHUET CHING	411,173	0.300
30	LOW AI FUEN	400,338	0.292
	TOTAL	115,214,554	84.139



# **ABBREVIATIONS**

Abbreviation	
AAPG	Audit and Assurance Practice Guide
ABAC Policy	Anti-Bribery & Anti-Corruption Policy
AC	Audit Committee
AC Report	Audit Committee  Audit Committee Report
ACCA	Association of Chartered Certified Accountants
AGM	Annual General Meeting
AOB	Audit Oversight Board
AR	Annual Report
ASEAN	Association of Southeast Asian Nations
ASP	
AWP	Average Selling Price Audit Working File
BIK	Benefits-in-kind
BNM Based Coursetters	Bank Negara Malaysia
Board Committees	Audit Committee and Nomination & Remuneration Committee
Bursa Malaysia	Bursa Malaysia Securities Malaysia
CA 2016	Companies Act 2016
CFO CFO	Chief Financial Officer
CITES	The Convention on International Trade in Endangered Species of Wild Fauna and Flora
CoCE	Code of Conduct & Ethics
COI	Conflict of Interest
Company Secretaries	Company Secretaries of the company
CPA	Certified Practising Accountant
СРО	Crude Palm Oil
CSA	Control-Self Assessment
CSI	Customer Service Index
CSR	Corporate Social Responsibility
Dato' Sri Dr. Nick Low	Dato' Sri Dr. Nick Low Kok Thye
Datuk Wira Lim	Datuk Wira Lim Kim Long
DEI	Diversity, Equity & Inclusion
Deloitte PLT or External Auditors	External auditors of the Company
DOSH	Department of Occupational Safety and Health
E&E	Electrical & Electronics Products
ED	Executive Director
EES	Economic, Environmental & Social
EFB	Empty Fruit Brunches
ERM	Enterprise Risk Management
ESG	Environmenta, Social and Governance
FFB	Fresh Fruit Bunches
FSRC	Financial Statements Review Committee
FY	Financial Year
FY2024	Financial Year Ended 31 March 2024
FY2025	Financial Year Ended 31 March 2025
FY2026	Financial Year Ending 31 March 2026
GDP	Gross Domestic Product
GHG	Greenhouse Gas
ч	Greenhouse Gas

# ABBREVIATIONS (CONT'D)

Abbreviation			
GMP	Good Manufacturing Practice		
На	Hectares		
HACCP	Hazard Analysis Critical Control Point		
HCV	High Conservation Value		
HSE	Health, Safety and Environment		
KM	Kilometre		
ICAEW	Institute of Chartered Accountants in England and Wales		
ICDM	Institute of Corporate Directors Malaysia		
ILO	International Labour Organisation		
INED	Independent Non-Executive Director		
IOL	Intraocular Lens		
ISA	International Standard on Auditing		
ISO	International Organization for Standardization		
ISPO	Indonesian Sustainable Palm Oil		
ISQM	International Standard on Quality Management		
IUCN	International Union for Conservation of Nature		
LBT	Loss Before Tax		
LED	Light Emitting Diode		
Madam Debbie Choa	Deborah Debbie Choa		
Madam Jennifer Low	Jennifer Low Swee Yim		
Madam Tan	Tan Suet Guan		
MCCG	Malaysian Code of Corporate Governance		
MD	Managing Director		
MD&A	Management Discussion and Analysis		
MFRS	Malaysian Financial Reporting Standards		
MIA	Malaysian Institute of Accountants		
MICPA	The Malaysian Institute of Certified Public Accountants		
MMLR	Main Market Listing Requirements		
MOH	Ministry of Health		
Moore Stephens	Moore Stephens Associates PLT		
Mr. Alex Chan	Alex Chan Choon Hoong		
Mr. Cheong	Cheong Kee Yoong		
Mr. Chung KM	Chung Kin Mun		
Mr. Edward Lai	Edward Lai Fu Khate		
Mr. Khoo	Khoo Chin Tee		
Mr. Kumar	Thevakumar Kaliaperumal		
Mr. Mukiat	Herry Mukiat		
Mr. Stephen Wan	Stephen Wan Yeng Leong		
Mr. Tiong	Tiong Chuu Ling		
MS	Malaysian Standard		
MSPO	Malaysian on Sustainable Palm Oil		
MSQH	Malaysian Society for Quality in Health		
MT	Metric Tones		



## **ABBREVIATIONS** (CONT'D)

Wh Meg			
	Megawatt-hour		
ED Non	Non-Independent Executive Director		
NED Non	Non-Independent Non-Executive Director		
RC Non	Nomination & Remuneration Committee		
SH Occ	Occupational Safety and Health		
antai Pan	Pantai Hospital		
BT Prof	Profit Before Tax		
DPA Pers	Personal Data Protection Act		
naco Pha	Phacoemulsification		
C Palr	Palm Kernel		
DC Pric	ce Outlook Conference		
DM Palr	lm Oil Mill		
DME Palr	lm Oil Mill Effluents		
PE Pers	Personal Protective Equipment		
TMAS PT I	Mustika Agro Sari		
TWan PT N	Wanasari Nusantara		
vC RS or Internal Auditors Pric	PricewaterhouseCoopers Risk Services Sdn. Bhd.		
PT Rela	Related Party Transaction		
RPT Rec	current Related Party Transaction		
SPO Rou	undtable on Sustainable Palm Oil		
AB or the Company Sou	uthern Acids (M) Berhad		
Sec	curities Commission		
CCS Sup	pply Chain Certification Standard		
enior Management Sen	nior management of the Company		
EOI Sou	uthern Edible Oil Industries (M) Sdn Bhd		
nareholders' Mandate Sha to e	Shareholders' mandate for the Company and its subsidiaries to enter into RRPTs of a revenue or trading nature		
A Soc	cial Impact Assessment		
MC Sun	nway Medical Center		
OP Star	andard Operation Procedures		
DRMIC Stat	atement on Risk Management and Internal Control		
RAB Sus	stainability & Risk Assessment Body		
i Kota Sri I	Kota Specialist Medical Center		
atement Cor	rporate Governance Overview Statement		
n Sri Sulong Tan	n Sri Datuk Seri Panglima Sulong Matjeraie		
e Board Boa	ard of Directors		
DR Term	ms of Reference		
NIMAS Univ	iversiti Malaysia Sarawak		
B Policy Whi	nistleblower Policy		
HO Wor	orld Health Organization		
SO Wor	orld Stroke Organisation		
PO You	ung Presidents Organisation		

## NOTICE OF THE FORTY-FOURTH

# ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Forty-Fourth ("44th") Annual General Meeting ("AGM") of Southern Acids (M) Berhad ("the Company") will be held at Ballroom 3, Level 1, Wyndham Acmar Klang Hotel, No. 1-G-1, Jalan Persiaran Bukit Raja 2/KU1, Bandar Baru Klang, 41150, Selangor Darul Ehsan, Malaysia on Friday, 29 August 2025 at 11.30 a.m. for the following purposes:

#### **AGENDA**

#### **ORDINARY BUSINESS**

 To receive the Audited Financial Statements for the financial year ended 31 March 2025 together with the Reports of the Directors and Auditors thereon. [Note 6]

2. To approve the payment of Single Tier Final Dividend of 5 sen per ordinary share in respect of the financial year ended 31 March 2025.

3. To approve the payment of Directors' fees amounting to RM665,000 for the financial year ended 31 March 2025. [Note 7]

4. To approve the payment of Directors' Benefits up to an amount of RM250,000 for the period from 30 August 2025 until the next AGM of the Company to be held in 2026. [Note 8]

5. To re-elect the following Directors who are retiring under Clause 113 of the Company's Constitution, and being eligible, have offered themselves for re-election:- [Note 9]

(a) Datuk Wira Lim Kim Long Ordinary Resolution 4

(b) Mr Stephen Wan Yeng Leong Ordinary Resolution 5

6. To re-appoint Deloitte PLT as Auditors to hold office until the conclusion of the next AGM at a **Ordinary Resolution 6** remuneration to be fixed by the Directors.

## **SPECIAL BUSINESS**

To consider and, if thought fit, adopt the following resolutions, with or without modification, as Ordinary Resolutions:

7. Proposed retention of Tan Sri Datuk Seri Panglima Sulong bin Matjeraie who has served ord as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company [Note 10]

**Ordinary Resolution 7** 

"THAT Tan Sri Datuk Seri Panglima Sulong bin Matjeraie who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years be and is hereby retained as an Independent Non-Executive Director until the conclusion of the next AGM."

8. Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016 Ordinary Resolution 8

"That subject always to the Companies Act 2016, and the approvals of the relevant governmental and/or regulatory authorities, if applicable, the Directors be and are hereby authorised, pursuant to Sections 75 and 76 of the Companies Act, 2016, to allot and issue shares in the Company from time to time at such price and upon such terms and conditions and for such purposes as the Directors may in absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company as at the date of this AGM and that the Directors be and are also empowered to obtain approval for the listing of and quotation for additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next AGM of the Company."



## NOTICE OF THE FORTY-FOURTH ANNUAL GENERAL MEETING (CONT'D)

Proposed Authority for the Company to Purchase Its Own Shares of Up to 10% of the Total Ordinary Resolution 9 Number of Issued Shares of the Company ("Proposed Share Buy-Back Authority") [Note 12]

"THAT subject to Section 127 of the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given for the Company to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem and expedient in the interest of the Company, provided that:-

- the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and
- the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements of the Company (where applicable) available at the time of the purchase(s).

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion in the following manner:-

- cancel all the shares so purchased; and/or
- (ii) retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or
- (iii) retain part thereof as treasury shares and cancel the remainder;

or in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

AND THAT such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:-

- the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which such resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first;

AND FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Share Buy-Back Authority with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as the Board may deem fit and expedient in the best interest of the Company."

# NOTICE OF THE FORTY-FOURTH ANNUAL GENERAL MEETING (CONT'D)

# 10. Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Ordinary Resolution 10 Transactions of a Revenue or Trading Nature [Note 13]

"That subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the renewal of shareholders' mandate for the Company and/or its subsidiaries to enter into the categories of recurrent related party transactions of a revenue or trading nature and with those Related Parties ("Proposed Renewal of Shareholders' Mandate") as specified in the Circular to Shareholders dated 29 July 2025 subject further to the following:

- that the transactions are in the ordinary course of business and are on terms that are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company;
- that the transactions are made on an arm's length basis and on normal commercial terms; and
- iii. that disclosure shall be made in the Annual Report of a breakdown of the aggregate value of all transactions conducted pursuant to the Proposed Renewal of Shareholders' Mandate during the financial year, based on the following information: -
  - the type of the Recurrent Related Party Transactions made; and
  - the names of the Related Parties involved in each type of the Recurrent Related Party Transactions entered into and their relationships with the Company.
- iv. that such approvals shall only continue to be in force until: -
  - the conclusion of the next AGM of the Company following this AGM at which such mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed;
  - the expiration of the period within which the next AGM of the Company after that date
    is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("CA")
    (but shall not extend to such extension as may be allowed pursuant to Section 340(4)
    of CA); or
  - revoked or varied by resolution passed by the shareholders in General Meeting.

whichever is the earlier.

AND FURTHER THAT the Directors of the Company/ or any of them be and are/is (as the case may be) hereby authorised to complete and to do all acts and things (including executing such documents under the common seal in accordance with the provisions of the Constitution of the Company, as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate.

# 11. Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions Ordinary Resolution 11 of a Revenue or Trading Nature [Note 14]

"That subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the new shareholders' mandate for the Company and/or its subsidiaries to enter into the categories of recurrent related party transactions of a revenue or trading nature and with those Related Parties ("Proposed New Shareholders' Mandate") as specified in the Circular to Shareholders dated 29 July 2025 subject further to the following:

- that the transactions are in the ordinary course of business and are on terms that are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company;
- that the transactions are made on an arm's length basis and on normal commercial terms; and



# NOTICE OF THE FORTY-FOURTH ANNUAL GENERAL MEETING (CONT'D)

- iii. that disclosure shall be made in the Annual Report of a breakdown of the aggregate value of all transactions conducted pursuant to the Proposed New Shareholders' Mandate during the financial year, based on the following information: -
  - the type of the Recurrent Related Party Transactions made; and
  - the names of the Related Parties involved in each type of the Recurrent Related Party Transactions entered into and their relationships with the Company.
- iv. that such approvals shall only continue to be in force until: -
  - the conclusion of the next AGM of the Company following this AGM at which such mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed;
  - the expiration of the period within which the next AGM of the Company after that date
    is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("CA")
    (but shall not extend to such extension as may be allowed pursuant to Section 340(4)
    of CA); or
  - revoked or varied by resolution passed by the shareholders in General Meeting,

whichever is the earlier.

AND FURTHER THAT the Directors of the Company/ or any of them be and are/is (as the case may be) hereby authorised to complete and to do all acts and things (including executing such documents under the common seal in accordance with the provisions of the Constitution of the Company, as may be required) as they may consider expedient or necessary to give effect to the Proposed New Shareholders' Mandate.

**FURTHER NOTICE IS HEREBY GIVEN THAT** for the purpose of determining a member who shall be entitled to attend the 44th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 78 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 22 August 2025. Only a depositor whose name appears on the Record of Depositors as at 22 August 2025 shall be entitled to attend the said meeting or appoint proxies to attend and vote on his/her behalf.

## NOTICE OF DIVIDEND ENTITLEMENT

**NOTICE IS ALSO HEREBY GIVEN** THAT subject to the shareholders' approval for the payment of Single Tier Final Dividend of 5 sen per ordinary share in respect of the financial year ended 31 March 2025 ("Dividend") under Ordinary Resolution 1 at the 44th AGM of the Company on 29 August 2025, the Dividend will be paid to the shareholders on 11 November 2025. The entitlement date for the Dividend shall be 17 October 2025.

A depositor shall qualify for the entitlement only in respect of: -

- a) shares deposited into the Depositor's Securities Account before 12:30 p.m. on 15 October 2025 (in respect of shares which are exempted from Mandatory Deposit);
- b) shares transferred into the Depositor's Securities Account before 4:30 p.m. on 17 October 2025 (in respect of ordinary transfer); and
- c) shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

## NOTICE OF THE FORTY-FOURTH ANNUAL GENERAL MEETING (CONT'D)

## By Order of the Board of Directors

Lim Kui Suang SSM PC No. 202008001175 MAICSA 0783327

Ng Shu Ling SSM PC No. 201908001194 MAICSA 7068807 Secretaries

## Klang, Selangor Darul Ehsan

Date: 29 July 2025

#### Notes:

- A member entitled to attend and vote at this meeting is entitled to appoint any person(s) to be his/her proxy(ies) to attend and vote in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy. A proxy shall have the same rights as the member to speak and vote at the meeting.
- Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- When a member appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of 3. his/her shareholding to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company's Poll Administrator, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor"), not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof:
  - Lodgement of Form of Proxy in hardcopy To be deposited at Tricor's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia; OR
  - Electronic lodgement of Form of Proxy The Form of Proxy can be lodged electronically via TIIH Online website at https://tiih.online. Please refer to the Administrative Guide for further information on electronic submission.
- Directors' Report, Audited Financial Statements and Auditors' Report 6.

Agenda No 1 is meant for discussion only as under the provision of Section 340(1)(a) of the Companies Act 2016, formal approval by members is not required to be obtained. Hence, the matter will not be put forward for voting.

#### 7. Directors' Fees

The Board of Directors proposed the Directors' Fees for the financial year ended 31 March 2025, subject to approval from the shareholders at the 44th AGM, as follows:

Chairman of the Company - RM142,500 (ii)

Chairman of the Audit Committee - RM142,500

(iii) Board members - RM95,000 each



# NOTICE OF THE FORTY-FOURTH ANNUAL GENERAL MEETING (CONT'D)

## 8. Directors' Benefits Payable

The Directors' Benefits comprised the following:

Description of Benefits			
Meeting Allowance per Meeting based on Attendance	(i) (ii) (iii) (iv)	Board Chairman Board Committee Chairman Board member Board Committee member	- RM1,600 - RM1,600 - RM800 each - RM800 each
Other benefits	Directors and Officers Liability Insurance, travelling allowance, medical and other claimable benefits		

The Ordinary Resolution 3, if approved, will authorise the payment of Directors' benefits of an amount up to RM250,000 to the Directors by the Company from 30 August 2025 up to the next AGM of the Company to be held in 2026. The estimated amount of RM250,000 is calculated based on the expected number of meetings for the Board and Board Committees and benefits for the period from 30 August 2025 up to the next AGM of the Company to be held in 2026.

## 9. Re-Election of Directors

Datuk Wira Lim Kim Long and Mr Stephen Wan Yeng Leong were retiring under Clause 113 of the Company's Constitution. They, being eligible, have offered themselves for re-election at this AGM.

The performance of each Director subject for re-election had been assessed through the annual Board Effectiveness Evaluation. The Nomination & Remuneration Committee and the Board are satisfied with the performance of the Directors, and are of the view that their continued service would benefit the Company and its stakeholders.

The profile of Datuk Wira Lim Kim Long and Mr Stephen Wan Yeng Leong are set out in the Profile of the Board of Directors.

#### 10. Proposed Retention of Tan Sri Datuk Seri Panglima Sulong bin Matjeraie as Independent Director

The Ordinary Resolution 7, if approved, will enable the retention of Tan Sri Datuk Seri Panglima Sulong bin Matjeraie as an Independent Non-Executive Director of the Company.

Tan Sri Datuk Seri Panglima Sulong bin Matjeraie has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years. He is currently the Independent Non-Executive Chairman of Company.

The Board of Directors via the Nomination & Remuneration Committee, after having assessed the collective skills, experience and independence of Tan Sri Datuk Seri Panglima Sulong bin Matjeraie through the conduct of annual performance evaluation and assessment, regarded him to be independent based on among others, the following justifications and strongly recommends that Tan Sri Datuk Seri Panglima Sulong bin Matjeraie be retained as an Independent Non-Executive Director of the Company, subject to the approval from the shareholders of the Company:-

- (a) He has demonstrated and continues to be able to exercise independent judgement and to act in the best interest of the Company:
- (b) He has also the necessary knowledge of the business and has proven commitment, experience and competency;
- (c) He has participated and contributed actively during deliberations or discussions at Board meetings; and
- (d) He has met the criteria for independence under the definition of an independent Director in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

## 11. Authority to issue Shares pursuant to Sections 75 and 76 of the Companies Act, 2016

The proposed Ordinary Resolution 8, if approved, will give the Directors authority to issue and allot new ordinary shares up to an amount not exceeding 10% of the total number of issued shares of the Company for such purposes as the Directors consider would be in the best interest of the Company. This authority will commence from the date of this AGM and unless revoked or varied by the Company at a general meeting, expire at the conclusion of the next AGM of the Company.

# NOTICE OF THE FORTY-FOURTH ANNUAL GENERAL MEETING (CONT'D)

The approval is a renewed general mandate and is sought to provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares, for purposes of funding future investment project(s), working capital, acquisitions or such other applications as the Directors deem fit. This would avoid any delay and cost involved in convening a general meeting to approve such issue of shares.

As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the last AGM of the Company held on 26 August 2024 and which lapse at the conclusion of the 44th AGM.

#### 12. Proposed Share Buy-Back Authority

The proposed Ordinary Resolution 9 if passed, will empower the Company to purchase and/or hold up to ten per centum (10%) of the issued and paid-up share of the Company. This authority unless revoked or varied by the Company at a General Meeting will expire at the next Annual General Meeting. Further information on the Proposed Shared Buy-Back Authority is set out in the Statements to Shareholders dated 29 July 2025, which is despatched together with the Company's Annual Report 2025.

13. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 10, if passed, will authorise the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature. This authority will, unless revoked or varied by the Company in General Meeting, expire at the next AGM of Company. Please refer to the Circular to Shareholders dated 29 July 2025, which is despatched together with the Company's Annual Report 2025, for more information.

14. Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 11, if passed, will authorise the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature. This authority will, unless revoked or varied by the Company in General Meeting, expire at the next AGM of Company. Please refer to the Circular to Shareholders dated 29 July 2025, which is despatched together with the Company's Annual Report 2025, for more information.

#### 15. Voting by poll

In compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be voted by poll.

#### 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.



# NOTICE OF ANNUAL GENERAL MEETING

## Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad

- 1. The following are the Directors who are seeking re-election at the 44th Annual General Meeting:-
  - (i) Datuk Wira Lim Kim Long, pursuant to Clause 113 of the Company's Constitution.
  - (ii) Stephen Wan Yeng Leong, pursuant to Clause 113 of the Company's Constitution.
- 2. The details of the two (2) Directors seeking re-election are set out in the Directors' Profile on pages 21 and 23.



# SOUTHERN ACIDS (M) BERHAD [198001010791 (64577-K)] FORTY-FOURTH ANNUAL GENERAL MEETING

MIC	(FULL NAME IN CAPITAL LETTERS) No./Passport No./Company No						
	JLL ADDRESS)						
eina	a member/member(s) of Southern Acids (M) I	Berhad hereby appoint					
Ŭ	Proxy	Jointa noisby appoint					
	Name of Proxy in capital letters	NRIC No. / Passport No.	Proportio	n of sharehold	of shareholdings		
	•	•	Number of share	es Perce	Percentage (%)		
Add	ress						
	or failing him/her nd Proxy						
	Name of Proxy in capital letters	NRIC No. / Passport No.	Proportio	oportion of shareholdings			
			Number of share	es Perce	Percentage (%)		
	ress						
res lo.	Raja 2/KU1, Bandar Baru Klang, 41150, Selar pect of my/our holdings of shares in the mann Resolutions			For	Agains		
No. 1	Ordinary Resolution 1 To approve the payment of Single Tie	er Final Dividend of 5 sen per ordinar	y share in respect of t		Agains		
	financial year ended 31 March 2025.						
2	Ordinary Resolution 2 To approve the payment of Directors' fees amounting to RM665,000 for the financial year ended 31 March 2025.						
3	Ordinary Resolution 3  To approve the payment of Directors' benefits up to an amount of RM250,000 for the period from 30 August 2025 until the next AGM of the Company to be held in 2026.						
4	Ordinary Resolution 4 To re-elect Datuk Wira Lim Kim Long a Company's Constitution.	:he					
5	Ordinary Resolution 5 To re-elect Mr Stephen Wan Yeng Leor the Company's Constitution.	of					
6	Ordinary Resolution 6 To re-appoint Deloitte PLT as Auditors to hold office until the conclusion of the next AGM at a remuneration to be fixed by the Directors.						
7	Ordinary Resolution 7 To retain Tan Sri Datuk Seri Panglima Sulong bin Matjeraie as Independent Non-Executive Director.						
8	Ordinary Resolution 8 To approve the Authority to issue Share	es pursuant to Sections 75 and 76 of the	ne Companies Act, 201	6.			
9	Ordinary Resolution 9 To approve the Proposed Authority for the Company to purchase its own shares of up to 10 % of the total number of Issued Shares of the Company.						
10	Ordinary Resolution 10 To approve the Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature.						
	Ordinary Resolution 11 To approve the Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature.						
11		lature.					
		ether you wish your vote to be cast for or ag	gainst the resolution. In the	absence of sp	ecific direct		

4

CDS Account No.

#### **MEMBERS ENTITLED TO ATTEND**

For purpose of determining a member who shall be entitled to attend the AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 78 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 22 August 2025. Only a depositor whose name appears on the General Record of Depositors as at 22 August 2025 shall be entitled to attend the said meeting or appoint a proxy to attend and vote on such depositor's behalf.

#### NOTES:

- A member entitled to attend and vote at this meeting is entitled to appoint any person(s) to be his/her proxy(ies) to attend and vote in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy. A proxy shall have the same rights as the member to speak and vote at the meeting.

  Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the
- number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- When a member appoints more than one proxy the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company's Poll Administrator, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor"), not less than forty-eight (49) hours before the time appointed for holding the meeting or at any adjournment thereo
  - (a) Lodgement of Form of Proxy in hardcopy To be deposited at Tricor's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia; OR
- (b) Electronic lodgement of Form of Proxy The Form of Proxy can be lodged electronically via TIIH Online website at https://tiih.online. Please refer to the Administrative Guide for further information on electronic submission.
- Directors' Report, Audited Financial Statements and Auditors' Report
  - Agenda No 1 is meant for discussion only as under the provision of Section 340(1)(a) of the Companies Act 2016, formal approval by members is not required to be obtained. Hence, the matter will not be put forward for voting.
- - In compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be voted by poll.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 29 July 2025.

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**STAMP** 

#### The Poll Administrator

SOUTHERN ACIDS (M) BERHAD [198001010791 (64577-K)] c/o Tricor Investor & Issuing House Services Sdn Bhd Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia

Southern Acids (M) Berhad [Registration No. 198001010791 (64577-K)] (Incorporated in Malaysia)

Level 29, Centro Tower, No. 8, Jalan Batu Tiga Lama, 41300 Klang, Selangor Darul Ehsan.

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