Southern Acids (M) Berhad
[Registration No. 198001010791 (64577-K)]
(Incorporated in Malaysia)

2026
ANNUAL REPORT

Inside This Report

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

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. No.: 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 Malaysia PLT (LLP0010145-LCA)
(Formerly known as Deloitte PLT)
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
OCBC Bank (Malaysia) Berhad
Hong Leong Bank Berhad

COUNTRY OF INCORPORATION AND DOMICILE

Malaysia

FINANCIAL HIGHLIGHTS

Financial Highlights

FINANCIAL YEAR	2022	2023	2024	2025	2026
Financial Performance (RM'000)					
Revenue	1,176,249	1,099,875	907,963	1,090,530	918,873
Profit before tax	149,855	74,909	43,166	72,263	75,520
Profit for the financial year	118,120	53,974	24,540	50,961	52,226
Financial Position (RM'000)					
Total assets	968,484	972,739	1,018,943	1,007,905	1,025,000
Total liabilities	145,134	102,130	140,245	124,990	139,117
Net current assets	477,717	514,145	510,043	515,880	525,906
Shareholders' equity	727,470	754,927	779,570	779,743	781,670
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)	68.95	24.31	9.96	26.80	27.30
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)	5.31	5.51	5.69	5.69	5.71

Corporate Structure

Southern Acids (M) Berhad
[Registration No. 198001010791 (64577-K)]

OLEOCHEMICAL MANUFACTURING
- 100% — Southern Acids Industries Sdn. Bhd. [199001015379 (207048-P)]

HEALTHCARE SERVICES
- 100% — Southern Medicare Sdn. Bhd. [199501023596 (352799-M)]

MILLING & CULTIVATION
- 100% — Pembinaan Gejati Sdn. Bhd. [199401034518 (320201-W)]
- 100% — Firstview Development Sdn. Bhd. [199701017925 (433422-W)]
  - 70% — PT Mustika Agro Sari (9120204100477)
    - 37.5% — PT Wanasari Nusantara
  - 43.75% — PT Wanasari Nusantara (8120108961197)

INVESTMENT & SERVICES
- 100% — Imayos Letting Sdn. Bhd. [201101003431 (931569-W)]
- 100% — PKE Transport (Malaysia) Sdn. Berhad [198701003184 (161855-T)]
- 100% — SAB Bio-Fuel Sdn. Bhd. [199501034784 (363986-K)]
- 100% — SAB (East Asia) Holdings Limited (476922)
- 100% — SAB Plantation Sdn. Berhad [199801014293 (470422-X)]
- 100% — SAB Properties Development Co. Sdn. Berhad [199401038702 (324387-H)]
- 100% — Southern Acids Cronos Resource Sdn. Bhd. [198001011690 (65476-P)]
- 100% — Wilstar Sdn. Bhd. [199701017546 (433043-M)]
- 100% — Noble Interest Sdn. Bhd. [199501020742 (349945-V)]
- 100% — Parson Medithor Medical Sdn. Bhd. [200001020442 (523049-H)]

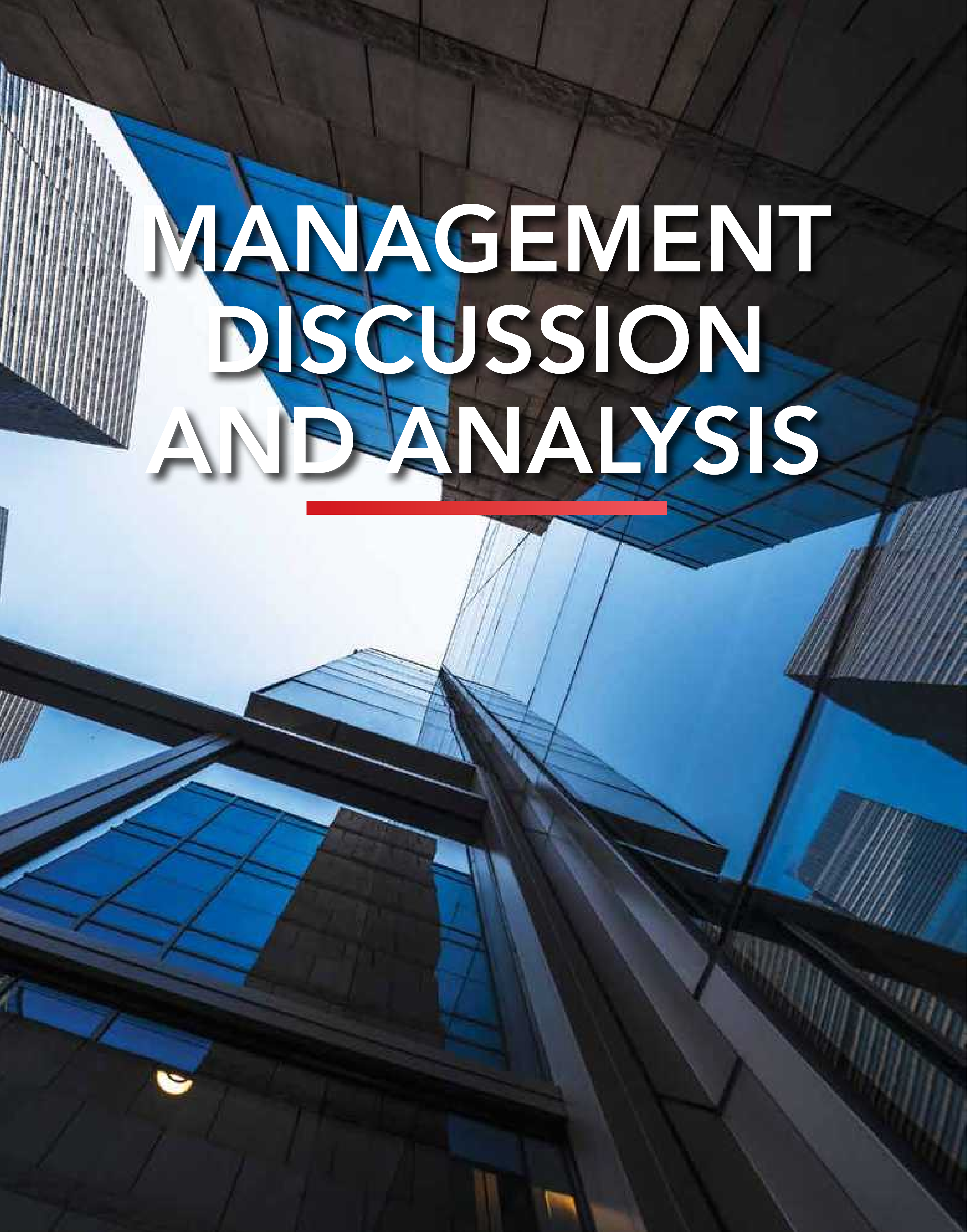
Business Segments

Milling & Cultivation

Oleochemical Manufacturing

Healthcare Services

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 of SAB and its subsidiaries for the financial year ended 31 March 2026 ("FY2026").

BACKGROUND

Founded in 1980, SAB began as a manufacturer of oleochemical products. As part of its long-term growth strategy, SAB and its subsidiaries ("the Group") subsequently expanded into the upstream oil palm sector through a vertical integration initiative, enabling it to secure a sustainable source of palm-based feedstock and strengthen its position within the oleochemical value chain.

Today, the Group has evolved into a diversified business with operations spanning Oleochemical Manufacturing, Milling & Cultivation and Healthcare Services. SAB operates an oleochemical manufacturing facility, two palm oil mills ("POM") and approximately 5,218 hectares ("ha") of land in Riau, Indonesia that is cultivated with oil palm trees, as well as a private hospital in Klang, Selangor. Supported by a workforce of 1,883 employees across Malaysia and Indonesia, the Group committed to delivering sustainable value through operational excellence, responsible business practices and long-term growth initiatives.

ECONOMIC REVIEW

In 2025, Malaysia's economy expanded by 5.2%, slightly higher than the 5.1% growth recorded in 2024, supported by resilient domestic demand despite a challenging global environment *(Source: Bank Negara Malaysia, Economic and Monetary Review 2025)*. Growth was driven by sustained household spending and favourable labour market conditions, as well as strong investment activity arising from the continued implementation of infrastructure projects, expansion in manufacturing capacity and investments in data centres. Export performance also improved, supported by firm demand for electrical and electronic ("E&E") products and continued growth in tourism-related activities. Headline inflation remained moderate at 1.4% in 2025 (2024: 1.8%), reflecting easing global cost pressures and stable domestic demand conditions. Meanwhile, labour market conditions remained favourable, supported by continued employment growth. Unemployment rate remained low at 3.0% in 2025, compared with 3.2% in 2024.

In the first quarter of 2026, Malaysia's Gross Domestic Product ("GDP") expanded by 5.4% year-on-year, compared with 4.4% recorded in the corresponding quarter of 2025 *(Source: Bank Negara Malaysia, Quarterly Bulletin 1Q2026)*, reflecting the continued resilience of the domestic economy amid an increasingly challenging global environment. Growth was supported by sustained household spending, targeted policy support measures, as well as continued investment activity driven by the implementation of multi-year projects across both the private and public sectors. Export growth remained resilient, supported by continued expansion in E&E exports, as well as travel-related and information and communication technology services. Headline inflation remained moderate at 1.6% during the quarter, whilst labour market conditions continued to improve, with the unemployment rate declining to 2.9% in March 2026 (1Q2025: 3.3%).

Looking ahead, Malaysia's economic growth is expected to remain supported by resilient domestic demand, sustained investment activity and continued export growth. Nevertheless, the outlook remains subject to external uncertainties, including evolving global trade policies, geopolitical developments and volatility in commodity and financial markets.

Management Discussion & Analysis (cont'd)

FY2026 FINANCIAL REVIEW

SAB FIVE YEAR FINANCIAL HIGHLIGHTS

	FY2022 RM'000	FY2023 RM'000	FY2024 RM'000	FY2025 RM'000	FY2026 RM'000
Revenue	1,176,249	1,099,875	907,963	1,090,530	918,873
Profit before interest and tax	150,657	75,838	43,974	74,208	76,717
Finance costs	802	929	808	1,945	1,197
Profit for the financial year	118,120	53,974	24,540	50,961	52,226
Shareholders' equity	727,470	754,927	779,570	779,743	781,670
Total assets	968,484	972,739	1,018,943	1,007,905	1,025,000
Borrowings	22,233	2,936	21,674	16,739	11,845
Earnings per share (sen)	68.95	24.31	9.96	26.80	27.30
Net assets per share (RM)	5.31	5.51	5.69	5.69	5.71
Net dividends per share (sen)	5.00	5.00	5.00	5.00	5.00

During the financial year under review, the Group recorded revenue of RM918.9 million, compared with RM1,090.5 million in the financial year ended 31 March 2025 (“FY2025”). The lower revenue was mainly attributable to reduced contributions from the Oleochemical Manufacturing and Milling & Cultivation segments.

Collectively, Oleochemical Manufacturing and Milling & Cultivation segments contributed approximately 83.9% of total Group revenue in FY2026, compared with 86.7% in FY2025. Despite higher average selling prices (“ASP”) for certain commodity products, including glycerine, fatty acids and palm kernel (“PK”), the performance of these segments was affected by lower overall sales volumes and reduced production utilisation rates, as well as lower ASP for crude palm oil (“CPO”).

Notwithstanding the decline in revenue, the Group recorded a profit before tax (“PBT”) of RM75.5 million, 4.4% higher than RM72.3 million achieved in FY2025. This was mainly supported by improved PBT contributions from the Milling & Cultivation and Healthcare Services segments, which helped cushion the weaker performance from the Oleochemical Manufacturing segment. The Company and its subsidiaries continued to prioritise the enhancement of their facilities in FY2026, with total capital expenditure amounting to RM40.0 million as compared to RM40.5 million in FY2025.

The Milling & Cultivation segment accounted for RM10.8 million in capital expenditure. Of this amount, approximately RM4.0 million was allocated for bearer plants, while the balance was invested in plant, machinery and equipment, electrical installations, motor vehicles, land improvements, as well as the construction of a POM's fencing facility.

Capital expenditure for the Healthcare Services segment increased to RM22.1 million during the financial year. Of this amount, RM10.5 million was allocated towards the acquisition of medical and laboratory equipment, including an investment of approximately RM6.5 million in a Hybrid Operating Theatre ("HOT") in August 2025 with the goal to improve patient safety and surgical outcomes by eliminating unnecessary transfers, reducing risks, and enabling minimally invasive procedures. Targets included shorter recovery times, enhanced precision, and increased patient confidence in local surgical care.

Management Discussion & Analysis (cont'd)

Launching of Hybrid Operating Theatre

In addition, RM7.4 million was spent on renovation and upgrading works for the Maternity and Fertility Departments to support service expansion and improve patient experience. The remaining RM4.1 million was utilised for the purchase of office equipment, furniture and fittings to support ongoing operational requirements.

Enhanced Level 7 Maternity Ward

Launching of Fertility Unit in January 2026

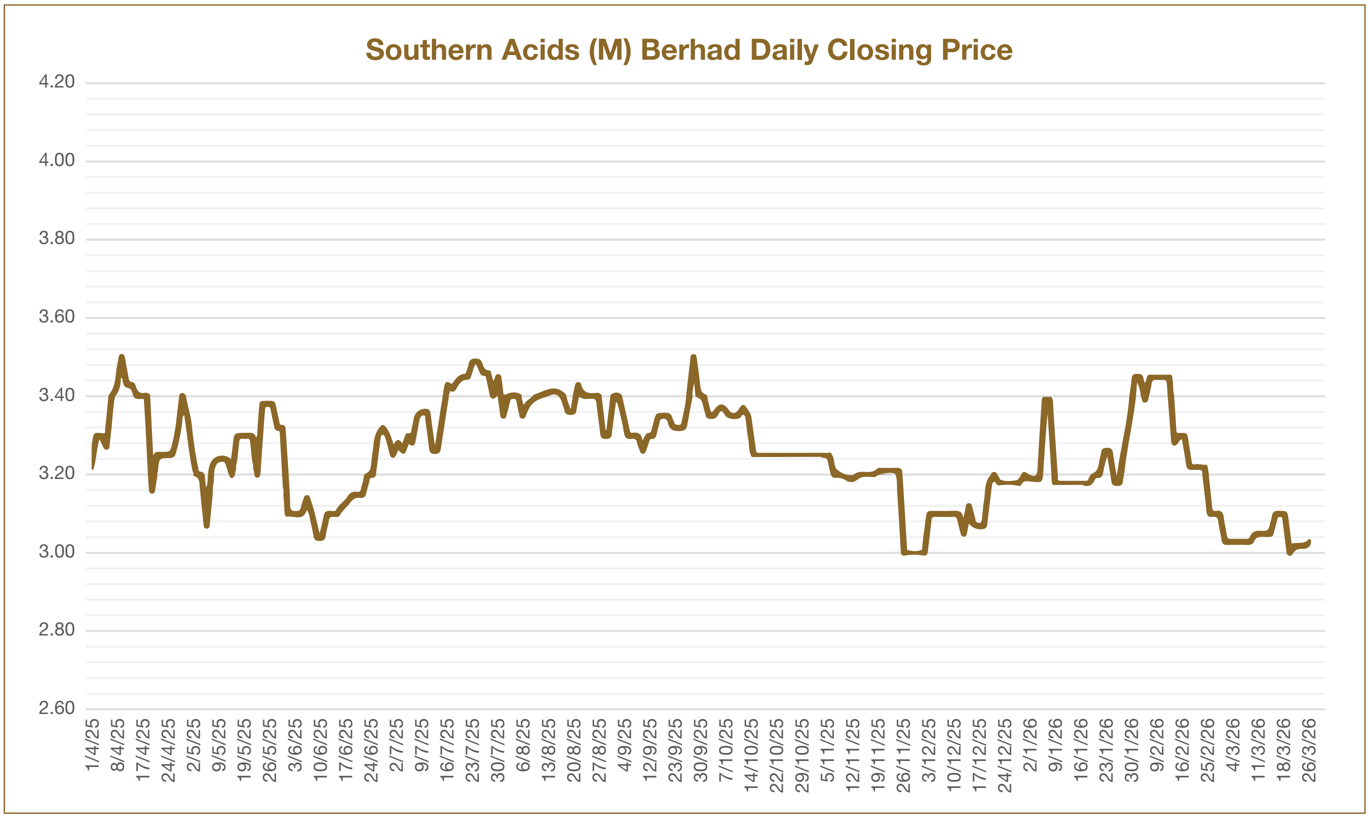
The Oleochemical Manufacturing segment utilised approximately RM1.3 million, mainly for the acquisition of office equipment, furniture and fittings, plant and machinery, as well as electrical installations to support ongoing operational enhancements and process improvements.

Capital expenditure of approximately RM5.8 million was incurred by the Investment and Services segment, largely for the installation of an overhead conveyor system and investment properties work in progress relating to the acquisition of two (2) condominium units.

Management Discussion & Analysis (cont'd)

SAB SHARE PRICE PERFORMANCE

Share Price Chart



	FY2026	FY2025
High	RM 3.50	RM 3.71
Low	RM 3.00	RM 2.88
Close	RM 3.03	RM 3.05
Average Daily Trading volume (shares)	10,880	13,356
Market Capitalisation at Year End (million)	RM 414.91	RM 417.65
Earnings Per Share (sen)	27.30	26.80
Price Earnings Ratio (times)	11.1	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:

- 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);
- Halal (Manufacturing); and
- ISO 14001:2015 Environmental Management System.

This segment's product offerings are used in diverse end-use applications including personal care, cleaning agents and food products. Approximately 81.5% 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	FY2026	FY2025	Changes
Financial Highlights			
Revenue (RM'000)	263,055	405,352	-35.1%
Loss Before Tax (RM'000)	(35,941)	(27,026)	-33.0%
Core Loss Before Tax (RM'000)	(32,713)	(26,734)	-22.4%
Non-Financial Highlights			
Production Capacity (MT)	96,000	96,000	0.0%
Production (MT)	42,581	71,760	-40.7%
Production Utilisation (%)	44.4%	74.8%	-40.7%
Quantity Sold (MT)	41,739	72,655	-42.6%
Overseas Sales Quantity (MT)	32,957	48,309	-31.8%
Overseas Sales Quantity (%)	79.0%	66.5%	18.8%
Overseas Sales (RM'000)	214,510	279,368	-23.2%
Overseas Sales Revenue (%)	81.5%	68.9%	18.3%

In FY2026, revenue from our Oleochemical Manufacturing segment declined by 35.1% to RM263.1 million from RM405.4 million recorded in FY2025. This was primarily attributable to lower sales volumes, which fell by 42.6% to 41,739 MT from 72,655 MT a year earlier. Although ASP for fatty acids increased by 11.4% and ASP for glycerine rose by 42.2% during the financial year, overall market demand remained weak due to oversupply.

Our Oleochemical Manufacturing reported loss before tax ("LBT") of RM35.9 million, as compared to LBT of RM27.0 million recorded in FY2025. The financial results comprised core LBT of RM32.7 million and non-core LBT of RM3.2 million. The non-core LBT was mainly derived from realised loss on foreign exchange and unrealised loss on CPO futures contracts.

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 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	FY2026	FY2025	Changes
Financial Highlights			
Revenue (RM'000)	507,450	540,249	-6.1%
Profit Before Tax (RM'000)	80,680	65,101	23.9%
Core Profit Before Tax (RM'000)	35,497	36,928	-3.9%
Non-Financial Highlights			
FFB Processed (MT)	569,819	601,204	-5.2%
CPO Production (MT)	115,770	121,686	-4.9%
PK Production (MT)	29,427	30,196	-2.5%
FFB Production (MT)	100,789	85,605	17.7%
Average CPO Selling Price Per MT	3,529	3,801	-7.2%
Average PK Selling Price Per MT	3,073	2,637	16.5%

The POMs together produced a total of 115,770 MT of CPO in FY2026, decreased by 4.9% compared to 121,686 MT of CPO production in FY2025. Total FFB processed in FY2026 slipped 5.2% to 569,819 MT compared to 601,204 MT in FY2025.

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 5,218 Ha of planted area in Riau yielded 100,789 MT in FY2026, providing approximately 19.4% of the POMs requirements. Out of the 5,218 Ha of planted area, 4,337 Ha are mature whilst the remaining 881 Ha are immature. The age profile of our palms is equally spread between young, prime and old and has a weighted average age of thirteen (13) 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.

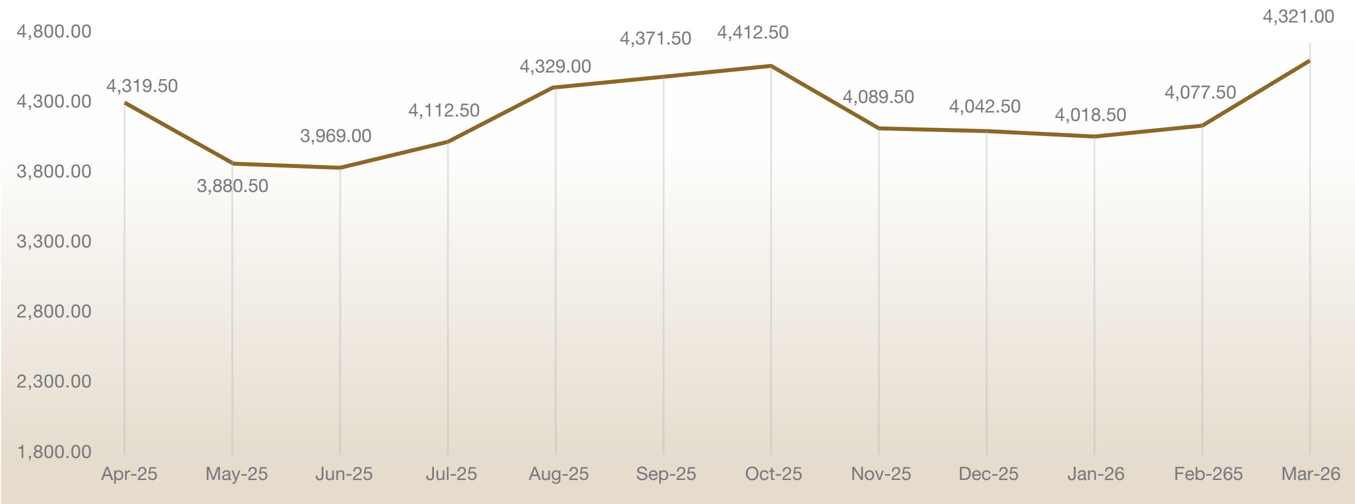
Management Discussion & Analysis (cont'd)

Milling & Cultivation (cont'd)

Revenue from our Milling & Cultivation segment declined by 6.1% to RM507.5 million in FY2026 from RM540.2 million recorded in FY2025.

During the financial year, production volume of CPO and PK decreased 4.9% and 2.5% to 115,770 MT and 29,427 MT respectively.

Crude Palm Oil Prices



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

Notwithstanding the lower revenue, the segment recorded a 23.9% increase in PBT to RM80.7 million from RM65.1 million in FY2025.

Healthcare Services

Healthcare Services is driven by our Sri Kota Specialist Medical Centre ("Sri Kota"), an award winning 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.

Sin Chew Business Excellence Awards 2025

Management Discussion & Analysis (cont'd)

Healthcare Services (cont'd)

In November 2025, Sri Kota achieved double honours at the **AIA Healthcare Appreciation Awards 2025**, securing two major recognitions - ***AIA Customers' Choice Award for Outstanding Hospital (Klang Valley)*** and ***Two Consecutive Years as AIA SMART Panel Hospital***. These awards reflect our unwavering commitment to delivering trusted, patient-centred care and the confidence placed in us by our community and partners.

AIA Customers' Choice Awards for Outstanding Hospital (Klang Valley)

AIA Smart Panel Hospital (Two Consecutive Years)

In March 2026, we were honoured at the **Sin Chew Business Excellence Awards 2025**, receiving the **Business Service Excellence Award**. This recognition reflects our unwavering commitment to service excellence, innovation and the delivery of quality healthcare services to the communities we serve.

In April 2026, we also won ***Facilities Improvement Initiative of the Year – Malaysia*** in the **Healthcare Asia Awards 2026** for the launch of its HOT. The launch features Klang, Selangor's first biplane angiography system. This setup merges surgical intervention with real-time imaging in one room. Multidisciplinary teams now deliver faster and safer care for complex cases.

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-six (26) years in operations.

Healthcare Asia Awards 2026

Sri Kota currently has forty-four (44) resident consultants and sixty-one (61) visiting consultants specialising in various disciplines. Sri Kota offers a comprehensive range of specialist and sub-specialist medical services, including the following:

1. Cardiology
2. E.N.T / Head and Neck Surgery
3. Fertility and Reproductive Medicine
4. Hand and Microsurgery
5. Interventional Radiology
6. Nephrology
7. Neurology
8. Orthopaedic Surgery
9. Obstetrics and Gynaecology
10. Radiotherapy and Oncology

Management Discussion & Analysis (cont'd)

Healthcare Services (cont'd)

At Sri Kota, delivering high-quality healthcare remains our foremost priority. Our long-term strategy is centred on strengthening and expanding our core specialties while enhancing clinical capabilities and patient experience. Through a holistic and patient-centred approach to care, we strive to meet the evolving healthcare needs of the communities we serve.

Healthcare Services	FY2026	FY2025	Changes
Financial Highlights			
Revenue (RM'000)	125,849	122,539	2.7%
Profit Before Tax (RM'000)	29,991	29,435	1.9%
Core Profit Before Tax (RM'000)	26,242	25,685	2.2%
Non-Financial Highlights			
Number Of Patients			
- *Outpatient*	70,805	72,645	-2.5%
- *Inpatient*	10,988	11,747	-6.5%
Number Of Resident Consultants	44	45	-2.2%
Number Of Visiting Consultants	61	51	19.6%

In FY2026, revenue from our Healthcare Services segment increased by 2.7% to RM125.8 million, compared with RM122.5 million recorded in FY2025. Average revenue per patient ("ARPP") improved, with outpatient ARPP increasing by 4.0% and inpatient ARPP rising by 10.2%, contributing to the segment's overall revenue growth during the year.

Consequently, segment PBT improved to RM30.0 million, compared to RM29.4 million recorded in the preceding financial year. This comprised core PBT of RM26.2 million and non-core PBT of RM3.8 million. The non-core PBT was mainly derived from rental income and interest income.

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 19.4% 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 through new land acquisitions for palm cultivation, attract more smallholders, and establish long-term crop supply agreements.

Management Discussion & Analysis (cont'd)

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, we 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

Palm-based oleochemical products play an important role in the day-to-day life. However, oversupply in Indonesia and Malaysia continues to pose challenges to the industry.

Market conditions are expected to remain challenging and volatile in the near term amid ongoing geopolitical tensions, trade uncertainties and fluctuations in global economic conditions. In addition, raw material prices, particularly CPO and palm kernel oil ("PKO"), remain sensitive to weather conditions, policy developments in key producing countries and global supply-demand dynamics. Competition from regional producers, particularly Indonesia, is also expected to remain intense.

Against this backdrop, the Group will continue to focus on operational efficiency improvements, product quality enhancement and prudent procurement and inventory management practices. Efforts to strengthen collaboration with downstream manufacturers, diversify the customer base and expand market presence across different geographical regions will remain key priorities in enhancing resilience and competitiveness.

Barring any unforeseen circumstances, we remain cautious on the near-term outlook of the Oleochemical Manufacturing segment. The Group will continue to focus on strengthening customer relationships, maintaining cost discipline and advancing sustainability initiatives while adapting to evolving market conditions.

Milling & Cultivation

We maintain a cautious outlook on the Milling & Cultivation segment. While CPO prices may continue to derive support from Indonesia's biodiesel programme and prevailing supply-demand dynamics, market conditions are expected to remain challenging amid regulatory developments, geopolitical uncertainties and competition from other edible oils. Volatility in commodity prices and input costs are also expected to persist.

The Group remains focused on improving plantation productivity and operational efficiency across its estates and mills. Ongoing initiatives include replanting programmes, the adoption of sustainable agricultural practices, enhancement of milling processes and the deployment of more efficient technologies to improve extraction rates and reduce operational losses.

To support long-term crop sustainability, the Group will continue to strengthen relationships with surrounding smallholders and external crop suppliers, while exploring opportunities to expand its land bank and secure additional crop sources. Efforts to improve yield performance through good agricultural practices, mechanisation and continuous estate development initiatives will also remain a key focus.

Notwithstanding the ongoing challenges, the Group remains committed to strengthening operational resilience through disciplined cost management, productivity enhancement and sustainable growth initiatives. We will continue to monitor developments closely and adapt our strategies accordingly in response to evolving market conditions.

Management Discussion & Analysis (cont'd)

Healthcare Services

The Healthcare Services segment continues to operate in a resilient environment, supported by an ageing population, increasing prevalence of chronic diseases and growing awareness of preventive healthcare. Demand for quality private healthcare services is expected to remain steady, although the industry continues to evolve amid changing patient expectations, increasing digital adoption and a greater emphasis on cost efficiency and value-based care.

In response, the Group remains focused on strengthening its specialised healthcare offerings, particularly in high-demand areas such as fertility, oncology and cardiology, while continuing to enhance patient experience, clinical capabilities and operational efficiency. Efforts to strengthen collaborations with insurers, corporates and healthcare partners, alongside ongoing digitalisation initiatives, are also expected to support sustainable growth.

The Group will continue to invest in medical technology, talent development and healthcare infrastructure to support long-term growth. At the same time, we remain committed to promoting community health awareness and advancing sustainability initiatives as part of our broader commitment to delivering quality healthcare services.

Barring any unforeseen circumstances, we remain cautiously optimistic on the prospects of the Healthcare Services segment. Supported by resilient demand fundamentals and ongoing strategic initiatives, the Group will continue to focus on delivering high-quality, patient-centred care while creating sustainable long-term value for stakeholders.

FY2027 Budgeted Capital Expenditure

For the financial year ending 31 March 2027 ("FY2027"), SAB and its subsidiaries have budgeted approximately RM40.9 million for capital expenditure requirements. Of this amount, RM21.2 million will be allocated to Milling & Cultivation, RM14.3 million to Healthcare Services, RM1.3 million to Oleochemical Manufacturing and RM4.1 million to Investment and Services.

Capital expenditure for the Milling & Cultivation segment will be primarily directed towards general upgrading works at the Group's two POMs, improvements to estate infrastructure, replanting activities, enhancements to workers' quarters, and the acquisition of office equipment, plant machinery and heavy-duty vehicles. These investments are aimed at improving operational efficiency, sustaining productivity and supporting long-term plantation growth.

Bearer Plants at Pasirmas

A significant portion of the capital expenditure will be allocated towards the Group's expansion project in Riau, Indonesia, with RM13.7 million expected to be invested during the financial year. This forms part of a broader capital commitment of approximately RM85.0 million over a four-year period commencing in 2024 for the development of an additional 2,211 hectares of planted area.

As at 31 March 2026, the Group had completed the development and replanting of approximately 639.6 hectares over the preceding two financial years, representing meaningful progress towards the achievement of its long-term expansion objectives.

Capital expenditure for the Healthcare Services segment will be primarily directed towards the acquisition of hospital and ward equipment, upgrading of hospital information systems, computer software and hardware, office equipment, furniture and fittings, as well as maintenance and security-related equipment. In addition, renovation and upgrading works will be undertaken for the Paediatric Clinic to enhance service delivery and improve patient experience.

For the Investment and Services segment, capital expenditure will be mainly directed towards the refurbishment and upgrading of building infrastructure, including lift refurbishment works, enhancements to fire safety systems, lift control upgrades and the replacement of air-conditioning units. These investments are expected to maintain operational reliability, improve safety standards and support the long-term upkeep of the Group's properties and facilities.

Management Discussion & Analysis (cont'd)

GENERAL OUTLOOK

According to the International Monetary Fund ("IMF") World Economic Outlook published in April 2026, global economic growth is projected at 3.1% in 2026, moderating from approximately 3.4% recorded in 2025 (Source: International Monetary Fund, World Economic Outlook, April 2026). The global economy continues to demonstrate resilience despite a challenging operating environment. Nevertheless, heightened trade tensions, policy uncertainty and persistent geopolitical conflicts continue to pose downside risks to global growth and international trade. In addition, volatility in commodity and financial markets, coupled with renewed inflationary pressures arising from supply chain disruptions and higher energy prices, may further weigh on business sentiment and investment activity.

Domestically, Malaysia's economy is projected to grow between 4.0% and 5.0% in 2026, supported by resilient domestic demand, sustained investment activity and a healthy labour market (Source: Bank Negara Malaysia, May 2026). However, downside risks remain, particularly from geopolitical tensions, trade policy uncertainties and weaker-than-expected external demand, which could weigh on economic activity.

For the Group, the operating environment is expected to remain challenging. The Oleochemical Manufacturing segment continues to face intense competition, margin pressures and raw material price volatility, while the Milling & Cultivation segment remains exposed to fluctuations in crude palm oil prices, weather conditions and regulatory developments affecting the palm oil industry. Meanwhile, the Healthcare Services segment is expected to remain resilient, supported by favourable demographic trends and continued demand for quality healthcare services.

Against this backdrop, we remain cautious on the near-term outlook. The Group will continue to focus on operational efficiency, disciplined cost management and prudent capital allocation, while maintaining a strong balance sheet to support resilience. We remain committed to executing our long-term strategies and strengthening our competitive position across all business segments amid an increasingly uncertain global environment.

DIVIDENDS

With respect to our FY2025, the Board proposed a final single-tier dividend of 5 sen per ordinary share on 29 May 2025. This was duly tabled and approved at our 44th Annual General Meeting ("AGM") held on 29 August 2025. The dividend was subsequently paid to shareholders on 11 November 2025.

With respect to our FY2026, the Board proposed to continue with a final single-tier dividend of 5 sen per ordinary share on 22 May 2026. The proposal will be tabled for shareholders' approval during our forthcoming 45th AGM.

The Group remains committed to delivering sustainable returns to shareholders while maintaining a prudent approach to capital management. Our dividend policy continues to balance rewarding shareholders with preserving financial flexibility to support the Group's operational requirements, growth initiatives and long-term value creation.

APPRECIATION

On behalf of the Board, we would like to express our sincere appreciation to our management team and employees for their dedication, professionalism and unwavering commitment throughout the year. Their collective efforts and contributions have been instrumental in advancing the Group's objectives and navigating an increasingly dynamic operating environment.

We would also like to extend our heartfelt gratitude to our shareholders, customers, business partners, financiers, regulators and other stakeholders for their continued trust, support and confidence in the Group. Your steadfast partnership remains invaluable to us as we continue to pursue sustainable growth and long-term value creation.

Dato' Sri Dr. Low Kok Thye
Managing Director

Profile of Directors

TAN SRI DATUK SERI PANGLIMA SULONG MATJERAIE

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

Aged 79 | Male | Malaysian

Tan Sri Datuk Seri Panglima Sulong Matjeraie ("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 is also 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 Malaya;
- 1971: Studied law at the Inns of Court School of Law, London;
- 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 Kuching;
- 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 does not have any family relationship with any director and/or major shareholder of SAB, nor any conflict of interest or potential conflict of interest, including interest in any competing business with SAB and its subsidiaries.

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

Tan Sri Sulong attended all five Board meetings held in FY2026.

Profile of Directors (cont'd)

DATO' SRI DR. LOW KOK THYE

Managing Director
Non-Independent Executive Director

Aged 47 | Male | Malaysian

Dato' Sri Dr. Low Kok Thye ("Dato' Sri Dr. Nick Low") was appointed to the Board on 15 July 2015 and currently serves as the Managing Director of SAB.

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

Prior to joining the Board, Dato' Sri Dr. Nick Low was involved in the strategic management of an oil palm plantation development project located in Kalimantan Timur, Indonesia.

Dato' Sri Dr. Nick Low is currently the Chairman of Sri Kota Specialist Medical Centre and Vice Chairman of Make-A-Wish Malaysia. He serves as the President Commissioner of SAB's subsidiaries in Indonesia and also a board member of SAB's subsidiaries in Malaysia. He oversees the oleochemical manufacturing and healthcare services businesses as well as involved in estate management and palm oil milling operations.

In addition, he is a director of Kumpulan Klinik Medijaya Sdn. Bhd., with its chain of owned and managed general medical practice clinics around Klang Valley, Johor Bharu and Ipoh.

Dato' Sri Dr. Nick Low does not have any 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 Annual Report ("AR") 2026.

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

Dato' Sri Dr. Nick Low attended all five Board meetings held in FY2026.

Profile of Directors (cont'd)

DATUK WIRA LIM KIM LONG

Executive Director
Non-Independent Executive Director

Aged 66 | 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.

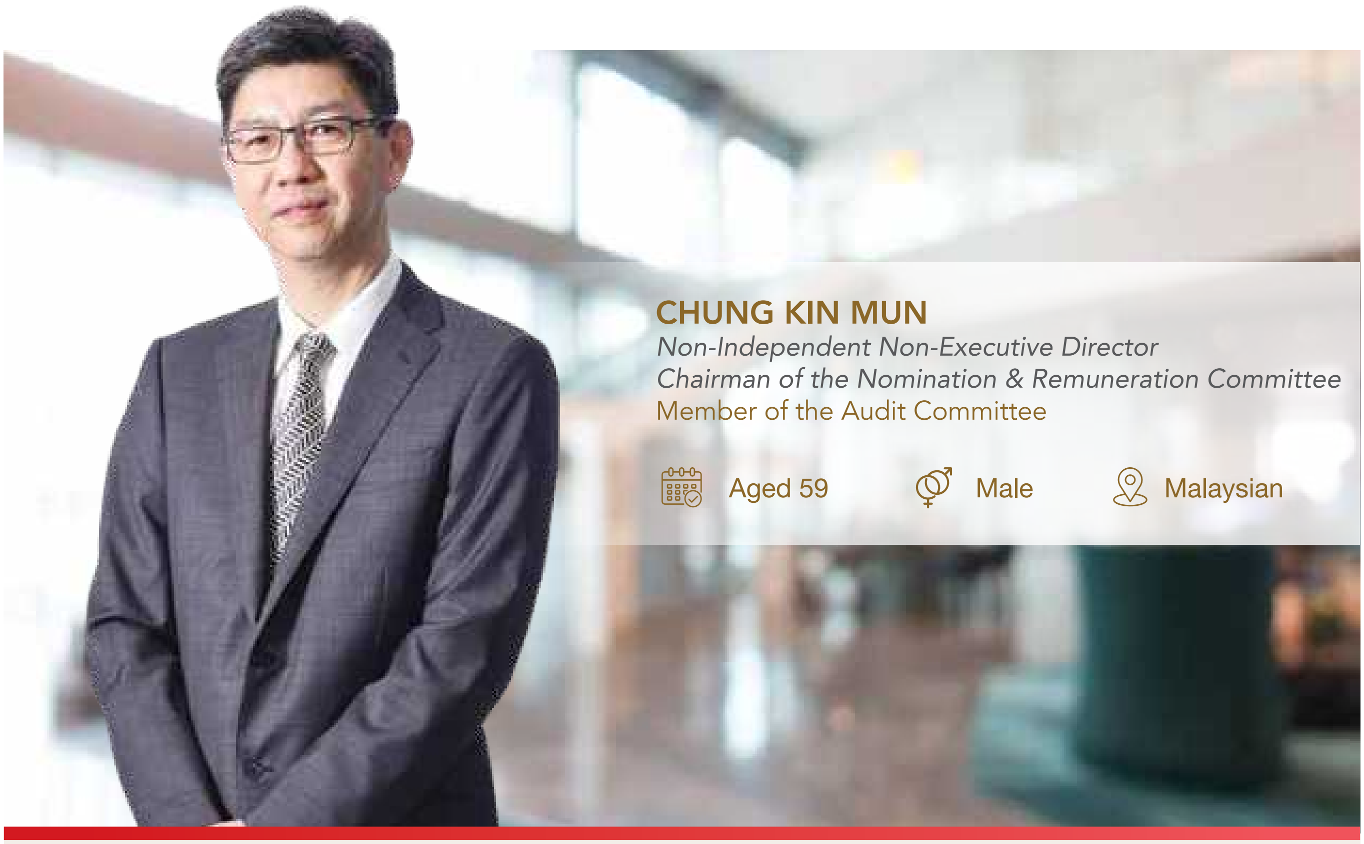
Datuk Wira Lim serves as the President Director of SAB's subsidiaries in Indonesia and is also a board member of SAB's subsidiaries in Malaysia. He is actively involved in the corporate affairs and overall management of SAB and its subsidiaries, particularly in the area of oil palm plantation operations and employee relations.

Datuk Wira Lim does not have any 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 2026.

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

Datuk Wira Lim attended all five Board meetings held in FY2026.

Profile of Directors (cont'd)



CHUNG KIN MUN

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

Aged 59 | Male | Malaysian

Mr. Chung Kin Mun ("Mr. Chung") 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 serve as the Chairman of the Nomination & Remuneration Committee and is also a member of the Audit Committee.

Mr. Chung holds a Bachelor of Business (Accounting) from the Phillip Institute of Technology, Australia and is a Fellow Certified Practising Accountant (FCPA) of 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 was the Group Chief Financial Officer of Zelan Berhad.

Mr. Chung does not have any family relationship with any director and/or major shareholder of SAB, nor any conflict of interest or potential conflict of interest, including interest in any competing business with SAB and its subsidiaries.

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

Mr. Chung attended all five Board meetings held in FY2026.

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 59 | 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. 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 ("MGNL"). 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 does not have any family relationship with any director and/or major shareholder of SAB, nor any conflict of interest or potential conflict of interest, including interest in any competing business with SAB and its subsidiaries.

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

Mr. Stephen Wan attended all five Board meetings held in FY2026.

Profile of Directors (cont'd)

DEBORAH DEBBIE CHOA

Independent Non-Executive Director

Member of the Audit Committee

Aged 56 | Female | Malaysian

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 2024.

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 does not have any family relationship with any director and/or major shareholder of SAB, nor any conflict of interest or potential conflict of interest, including interest in any competing business with SAB and its subsidiaries.

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

Madam Debbie Choa attended all five Board meetings held in FY2026.

Profile of Senior Management

CHEONG KEE YOONG

Chief Financial Officer

Aged 58 | Male | Malaysian

Mr. Cheong Kee Yoong ("Mr. Cheong") was appointed as Chief Financial Officer ("CFO") of the Company on 1 October 2013.

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.

Mr. Cheong currently serves as the Independent Non-Executive Chairman of Golden Destinations Group Berhad as well as an Independent Non-Executive Director of Eden Inc. Berhad.

Mr. Cheong does not have any family relationship with any director and/or major shareholder of SAB, nor any conflict of interest or potential conflict of interest, including interest in any competing business with SAB and its subsidiaries.

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

ALEX CHAN CHOON HOONG

Chief Strategic Development Officer

Aged 54 | 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 palm oil 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 specialising in environmental packaging products.

Mr. Alex Chan does not have any family relationship with any director and/or major shareholder of SAB, nor any conflict of interest or potential conflict of interest, including interest in any competing business with SAB and its subsidiaries.

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

Profile of Senior Management (cont'd)

JENNIFER LOW SWEE YIM

Strategic Integration Director

Aged 46 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 does not have any family relationship with any director and/or major shareholder of SAB, nor any conflict of interest or potential conflict of interest, including interest in any competing business with SAB and its subsidiaries.

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

Profile of Senior Management (cont'd)

EDWARD LAI FU-KHATE

Special Technology Affairs Director

Aged 38 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 SAB on 1 January 2022. He was appointed as a Director of Southern Acids Industries Sdn. Bhd. on 6 December 2025.

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 does not have any family relationship with any director and/or major shareholder of SAB, nor any conflict of interest or potential conflict of interest, including interest in any competing business with SAB and its subsidiaries.

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

THEVAKUMAR KALIAPERUMAL

General Manager Operations, Milling & Cultivation

Aged 56 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 does not have any family relationship with any director and/or major shareholder of SAB, nor any conflict of interest or potential conflict of interest, including interest in any competing business with SAB and its subsidiaries.

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

Profile of Senior Management (cont'd)

HERRY MUKIAT

General Manager Development, Milling & Cultivation

Aged 62 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 had also spent seven years in corporate banking with Credit Lyonnais in both Indonesia and France, from 1991 to 1998.

Mr. Mukiat does not have any family relationship with any director and/or major shareholder of SAB, nor any conflict of interest or potential conflict of interest, including interest in any competing business with SAB and its subsidiaries.

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

KHOO CHIN TEE

General Manager, Oleochemical Manufacturing

Aged 64 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 over 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 does not have any family relationship with any director and/or major shareholder of SAB, nor any conflict of interest or potential conflict of interest, including interest in any competing business with SAB and its subsidiaries.

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

Profile of Senior Management (cont'd)

TAN SUET GUAN

Hospital Director, Healthcare Services

Aged 68 Female Malaysian

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 organisation'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 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 does not have any family relationship with any director and/or major shareholder of SAB, nor any conflict of interest or potential conflict of interest, including interest in any competing business with SAB and its subsidiaries.

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

SUSTAINABILITY STATEMENT

Sustainability Statement

ABOUT THIS SUSTAINABILITY STATEMENT

SAB is pleased to present its 9th annual Sustainability Statement FY2026, which is an integral component of the Company's AR 2026. This Statement provides a comprehensive accounting of the Group's strategic approach, ongoing initiatives, and quantitative performance metrics in managing its material Economic, Environmental, and Social ("EES") risks and opportunities.

As global macro sustainability expectations continue to shift towards highly regulated, clear, and decision-useful metrics, SAB remains focused on strengthening the quality, consistency, and absolute transparency of its non-financial disclosures. Moving forward, the Group will continue to review, refine, and enhance its sustainability reporting architectures to remain fully synchronised with evolving regulatory requirements, stakeholder expectations, and macro-business priorities.

Reporting Scope and Basis

This Statement captures the performance data and narrative updates for the financial period commencing 1 April 2025 and concluding 31 March 2026, aligning directly with the Group's established financial accounting year.

The reporting boundary has been constructed to reflect our operational control across our key business units. Unless explicitly stated otherwise, the reporting boundary encompasses the support office situated at Centro Tower, Klang, Selangor, alongside our three principal operational business segments spanning Malaysia and Indonesia. These segments include Oleochemical Manufacturing, Milling & Cultivation, and Healthcare Services.

Boundary Exclusions

To maintain reporting precision and materiality, the Investment & Services Segment is formally excluded from the core FY2026 environmental and social reporting boundary. The activities within this segment are primarily supportive of the Group's centralised corporate infrastructure and collectively accounted for only a nominal percentage (approximately 2.2%) of the Group's total consolidated revenue for the financial year.

Guidelines and Standards

This Statement has been prepared with reference to the Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirements ("MMLR") and the Bursa Malaysia Sustainability Reporting Guide (3rd Edition). These guidelines provide the basis for the Company's sustainability disclosures and support consistent communication of its sustainability approach, performance and progress to stakeholders.

Where relevant, the Company has also mapped its sustainability initiatives against the United Nations Sustainable Development Goals and the Malaysia 2030 Agenda. This mapping allows the Company to demonstrate the alignment between its material sustainability matters and broader sustainability priorities, while ensuring that the disclosures remain relevant to its business operations and stakeholder expectations.

Moving forward, the Company will continue to review its reporting practices and enhance its disclosures in line with applicable regulatory developments, sustainability reporting expectations and the Company's evolving business priorities.

Limitations

The disclosures in this Statement include information on the Company's sustainability objectives, strategies, plans and future initiatives, including matters relating to its business, financial and non-financial performance. These disclosures may contain forward-looking expressions such as "aims", "targets", "believes", "estimates", "may", "should", "would" and "will".

Such forward-looking statements are prepared based on information available at the time of reporting and should not be regarded as assurances of future outcomes. The Company's actual performance may differ from the information expressed or implied due to various risks, uncertainties and external developments. These may include changes in global, national or regional economic conditions, regulatory developments, stakeholder expectations, market conditions, operational circumstances and other factors beyond the Company's control.

Assurance Process

No assurance is required for FY2026 in accordance with Bursa Malaysia's guidelines.

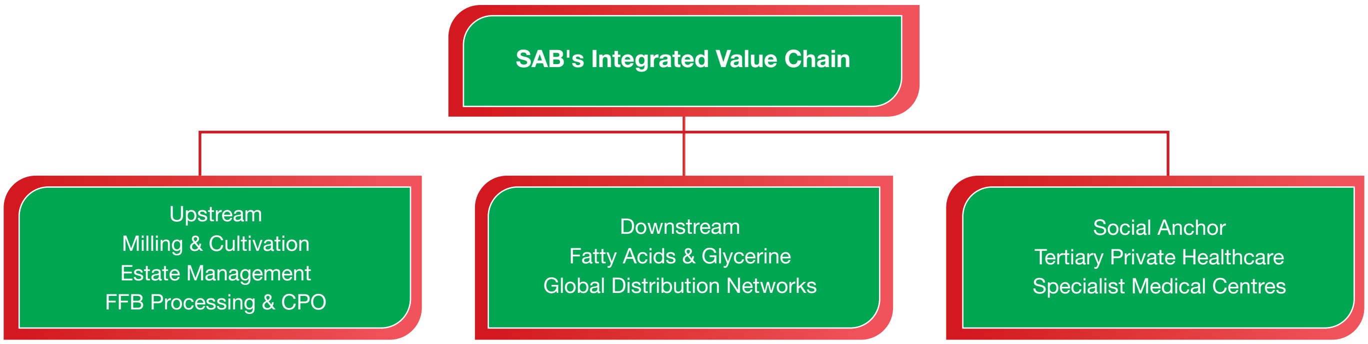
Sustainability Statement (cont'd)

About Southern Acids (M) Berhad and Operational Value Chain Creation

SAB's corporate journey began in 1980, when the company was incorporated to tap into the industrial potential of the nascent downstream oleochemical sector in Southeast Asia. The Company was structured from its inception to add value to local palm and palm kernel oil supplies as sustainable alternatives to animal fats (tallow) and coconut oil feedstocks.

Over the course of more than four decades, the Group have deliberately evolved beyond its initial oleochemical manufacturing core into a highly resilient corporate portfolio. Today, SAB is listed on the Main Market of Bursa Malaysia and manages balanced operations across three core segments: **Oleochemical Manufacturing, Milling & Cultivation, and Healthcare Services**

SAB is an international supplier of palm-based fatty acids and glycerine, servicing customers across markets including the United States, Europe, Japan, China, Korea, the Middle East, India, Indonesia, and Africa. This diverse footprint across agribusiness, industrial manufacturing, and essential medical services provides the Group with structural resilience, helping to stabilise performance amid cyclical market volatility



Oleochemical Manufacturing

Oleochemical Manufacturing is undertaken through Southern Acids Industries Sdn. Bhd. ("SAI"), which manufactures and markets palm-based fatty acids and glycerine. Established in response to the growing availability of palm and palm kernel oils in Malaysia, the segment supports the conversion of palm-based feedstock into oleochemical products used in industries such as food, feed, cosmetics, pharmaceuticals, surfactant, plastic and tyres.

Located in Kapar, Klang, its operations are supported by established facilities, technical expertise and skilled personnel, enabling the production of quality fatty acids and glycerine for both domestic and international markets. This operational foundation allows the segment to respond to customer requirements while supporting the Company's broader participation in the palm oil value chain.

To strengthen its alignment with sustainable palm oil practices, SAI has been a registered member of the RSPO and MSPO since 2014 and 2019 respectively. This supports the segment's ability to meet growing market expectations for sustainably sourced palm-based products, particularly in markets where traceability, certification and responsible sourcing are increasingly important.

Sustainability Statement (cont'd)

Healthcare Services

SAB's healthcare operations are represented by Sri Kota, a tertiary private hospital located in Klang, Selangor. Since commencing operations in September 1999, Sri Kota has grown into an established healthcare provider serving Klang and its surrounding communities.

Sri Kota was established to provide quality medical care to the local community and has progressively expanded its specialist capabilities to meet evolving healthcare needs. Over the years, the hospital has strengthened its position in specialised care through key milestones, including early adoption of minimally invasive spine surgery, and introducing coronary artery bypass surgery and endoscopic spine surgery in Klang, improving access to specialised care within the community.

Sri Kota continues to invest in medical technology and service expansion, including diagnostic imaging, haemodialysis, cancer care, and outpatient services. In FY2026, the hospital further expanded into fertility care to address broader healthcare needs.

Accredited by the MSQH, Sri Kota continues to uphold patient safety, service quality and continuous improvement while providing accessible, quality and patient-centred healthcare to the communities it serves.

Milling & Cultivation

SAB's Milling & Cultivation Segment represents the Company's upstream palm oil operations, comprising oil palm cultivation and milling activities in Malaysia and Indonesia. The segment operates separately from the Oleochemical Manufacturing Segment due to logistical considerations and the geographical distance between the operations.

The segment has oil palm cultivation operations in Kuala Langat and Shah Alam, Selangor, as well as Riau Province, Indonesia. Its mills in Riau Province were commissioned in June 2002 and August 2015 respectively. Strategically located near oil palm cultivated areas, the mills support the timely processing of FFB, which is important in maintaining the quality of extracted palm oil.

Indonesia remains an important location for the Company's upstream activities due to its favourable oil palm cultivation and proximity to milling operations. The segment focuses on managing productivity, operational efficiency and responsible cultivation practices to support its long-term operational resilience and sustainable growth.

Our Sustainability Approach

The Company views sustainability as an integral part of building long-term business resilience, strengthening stakeholder trust and supporting responsible growth. As the Company operates across oleochemical manufacturing, milling and cultivation, and healthcare services, sustainability considerations are embedded into its decision-making and day-to-day operations to ensure that business objectives are pursued in a responsible and balanced manner.

Guided by leadership oversight, stakeholder engagement and a structured sustainability framework, the Company manages its material EES matters in line with operational priorities and stakeholder expectations. This approach enables the Company to identify sustainability-related risks and opportunities, implement practical initiatives and monitor progress across its core business segments.

The Company will continue to strengthen its sustainability reporting practices in preparation for the evolving disclosure landscape. This includes improving internal processes, enhancing the quality and consistency of sustainability data, and strengthening the linkage between sustainability matters, business risks and financial implications. In the next financial year, the Company intends to progressively disclose sustainability-related information with reference to the International Sustainability Statement Board Standards, including International Financial Reporting Standards ("IFRS") S1 and IFRS S2, where applicable, to enhance the transparency, reliability and decision-usefulness of its sustainability disclosures.

Sustainability Governance

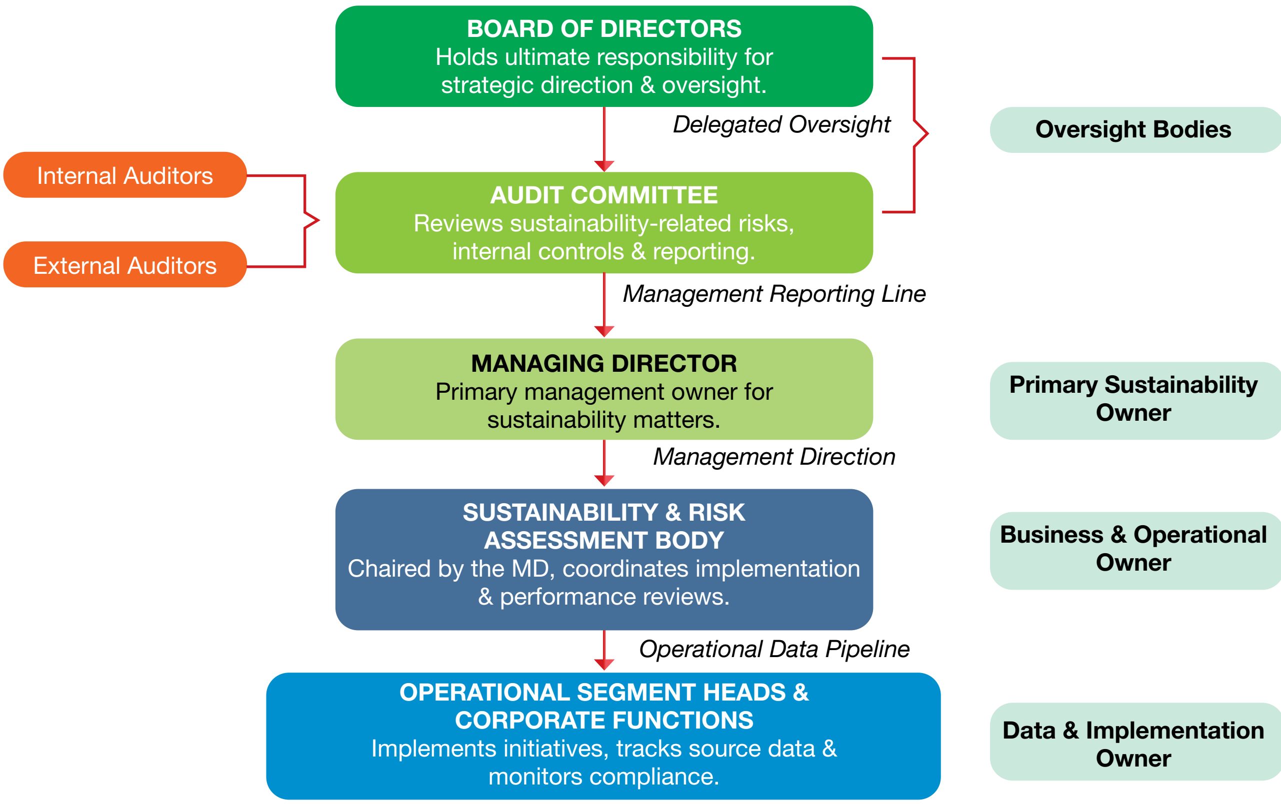
SAB maintains a structured sustainability governance framework designed to support transparent decision-making, reinforce accountability and safeguard long-term stakeholder value. In alignment with the IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, this section outlines the mechanisms, mandates and operational oversight controls used to identify, assess, manage and monitor material sustainability-related risks and opportunities across the Group.

Sustainability Statement (cont'd)

OUR SUSTAINABILITY APPROACH

Board-Level Oversight Of Sustainability-Related Risks & Opportunities

The Company's governance structure ensures that sustainability considerations are embedded into strategic oversight, corporate risk management and internal control processes. This structure is aligned with the Company's existing risk governance framework, where the Board retains overall oversight, supported by the Audit Committee ("AC") and the Managing Director ("MD"), who is supported by the Sustainability & Risk Assessment Body ("SRAB"), a management-level working committee.



The Board of Directors

- Mandate & Accountability: The Board retains ultimate responsibility for the Group's sustainability direction, corporate strategies and long-term resilience. Guided by the Board Charter, the Board exercises its fiduciary duties to ensure that EES matters are managed in balance with business priorities, stakeholder expectations and regulatory requirements.
- Target and Progress Evaluation: The Board acts as the final approving authority for the Group's thirteen (13) material sustainability matters. It ensures that sustainability priorities, performance baselines and corporate disclosures are aligned with available supporting information before approval.

The Audit Committee

- Dedicated Board-Level Review: To optimise risk management controls, the Board has assigned direct oversight of sustainability matters to the AC.
- Risk and Reporting Control: Operating under a defined Terms of Reference ("TOR"), the AC is responsible for reviewing sustainability-related risks, evaluating the adequacy of internal management structures, and verifying the transparency and accuracy of non-financial disclosures before they are escalated to the Board.

OUR SUSTAINABILITY APPROACH (CONT'D)

Management's Role In The Assessment & Management Of Sustainability Matters

Executive execution and systematic tracking of sustainability initiatives are handled through a clear management reporting line, ensuring that operational data informs strategic decisions.

The Managing Director

- Executive Leadership: The MD leads the Group's sustainability agenda, bridging the gap between Board-level strategy and operational deployment. The MD serves as the Chairperson of the management-level sustainability committee, overseeing the integration of risk mitigation strategies into day-to-day business planning.

The Sustainability & Risk Assessment Body

- Composition: Chaired by the MD, the SRAB comprises the executive heads of SAB's core operational business segments—Oleochemical Manufacturing, Milling & Cultivation, and Healthcare Services—alongside key corporate function leaders.
- Core Responsibilities: The SRAB serves as the central management engine responsible for:
  - o Overseeing the practical implementation of approved sustainability strategies across all regional assets.
  - o Reviewing, monitoring, and adjusting segment-specific performance targets.
  - o Conducting periodic materiality reviews to ensure environmental, social, and economic parameters match changing regulatory requirements and market expectations.
  - o Ensuring internal data alignment across operations before disclosures are submitted to the AC and Board for final approval.

Operational Pipelines And Data Accountability

At the foundational level, sustainability management is integrated into the regular processes and performance tracking of our distinct operating segments.

Operational Segment Heads & Corporate Functions

- Field Execution: The operational heads of the core segments are directly responsible for executing sustainability initiatives.
- Primary Data Pipelines: These operational teams manage the collection, verification, and monitoring of source-level activity data including fuel usage invoices, utility consumption meters, clinical and industrial waste manifests, and workplace safety incident logs. This localised data is systematically compiled and reported up to the SRAB, creating a reliable data pipeline that supports the Group's non-financial reporting.

Sustainability Statement (cont'd)

OUR SUSTAINABILITY APPROACH (CONT'D)

Roles & Responsibilities Matrix

To maintain clarity for investors and Environmental, Social and Governance ("ESG") analysts, the table below maps our sustainability governance framework against specific operational mandates:

Governance Level	Structure	Primary Oversight & Management Mandate	IFRS S1 Governance Dimension Covered
Board Level	**Board of Directors**	Retains ultimate accountability for the Group's strategic sustainability direction, strategic alignment, and non-financial statement approval.	Identification of the body with ultimate responsibility for sustainability-related risks and opportunities.
Board Committee Level	**Audit Committee**	Reviews non-financial disclosures, evaluates internal risk frameworks, and monitors compliance with the MMLR.	Oversight of risk management policies, disclosure reliability, and internal reporting controls.
Management Level	**Managing Director & SRAB**	Chaired by the MD; coordinates cross-functional segment strategies, reviews targets, and evaluates performance trends across operating units.	Management's role in the assessment, management, and executive monitoring of sustainability risks.
Operational Level	**Heads of Business Segments & Corporate Functions**	Implements localised field initiatives, maintains regulatory compliance, and manages primary source-level activity data tracking.	Integration of sustainability controls into regular operational processes and localised data pipelines.

Stakeholder Engagement

SAB engages with its stakeholders through various formal and informal channels to understand their expectations, concerns and priorities. These engagements support the Company in identifying sustainability-related risks and opportunities, strengthening operational responsiveness and ensuring that its sustainability matters remain relevant to both business priorities and stakeholder needs.

The Company's stakeholder engagement approach is summarised below:

Stakeholder Groups	Frequency and Engagement Method	Topic of Concern and Interest	Material Matters
Customers	On-going • Surveys • Corporate website As needed • Emails • Phone calls	• Customer service • Customer experience • Product quality	• Customer Satisfaction • Accreditations and Adherence to Quality Standards • Innovation • Biodiversity
Employees	On-going • Town hall meetings • Workshops • Focus group discussions • Internal committee meetings • Surveys • Events • Internal circulars • Newsletters	• Company direction and performance • Career development and training opportunities • Workplace health and safety • Well-being of employees (including fair compensation)	• Health and Safety • Employee Management and Development

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
Investors	On-going/As needed • Corporate website • Announcement Annually/As needed • General meeting	• Operational and financial performance • Shareholder returns	• Governance • Customer Satisfaction • Accreditations and Adherence to Quality Standards • Innovation • Supply Chain Management • Energy Management • Emissions • Biodiversity • Water Management • Effluents and Waste Management • Health and Safety • Employee Management and Development • Community Development and Relations
Local Communities	On-going • Community engagement programmes • Health awareness programmes	• Community development and support • Quality, safety, health and environment • Social and environmental impact	• Emissions • Biodiversity • Effluents and Waste Management • Health and Safety • Community Development and Relations
Government and Authorities	On-going • Industry workshops • Meetings and consultations • Reporting As needed • Inspection and audits	• Regulatory compliance • Improving efficiency and productivity	• Governance • Innovation • Energy Management • Emissions • Biodiversity • Water Management • Effluents and Waste Management • Health and Safety
Suppliers	On-going • Procurement system (including tender process) • Supplier surveys • Supplier performance evaluation • Online meeting • Emails • Phone calls	• Transparency in the procurement process • Knowledge sharing and capability building	• Supply Chain Management

Sustainability Statement (cont'd)

OUR SUSTAINABILITY APPROACH (CONT'D)

Material Matters

The Company adopts a materiality assessment process to identify and assess sustainability matters that are most relevant to its business operations and stakeholders. This process enables the Company to determine the EES matters that may have significant impacts on the Company, its subsidiaries, and its stakeholders.

The Company's materiality assessment process involves individual assessments across its three core business segments, which are subsequently consolidated into a Company-wide evaluation and prioritisation. The process is summarised as follows:

1. Identification

As part of the materiality assessment process, SAB identifies potential sustainability matters by reviewing both internal operational inputs and external reference sources. These inputs help the Company determine whether a matter may be relevant to its business operations, stakeholders, regulatory obligations or long-term sustainability performance.

Internal sources provide insight into matters observed within the Group's day-to-day operations. For example, biodiversity assessment records support the identification of biodiversity-related matters within cultivation and land-based operations, while Social Impact Assessment ("SIA") findings provide input on community-related matters and potential social impacts. Customer Service Index ("CSI") results support the assessment of customer satisfaction, and site visits, operations meetings, internal audit findings and segment feedback provide practical input from the respective operating units.

External sources are used to benchmark SAB's material matters against regulatory expectations, industry practices, certification requirements and stakeholder expectations. These include the Bursa Malaysia Sustainability Reporting Guide, safety and regulatory requirements, industry peers, ISO / ISPO / MSPO surveillance audit reports and customer or supplier requirements. Together, these internal and external sources support a more balanced identification of material matters across SAB's diverse business segments.

2. Prioritisation

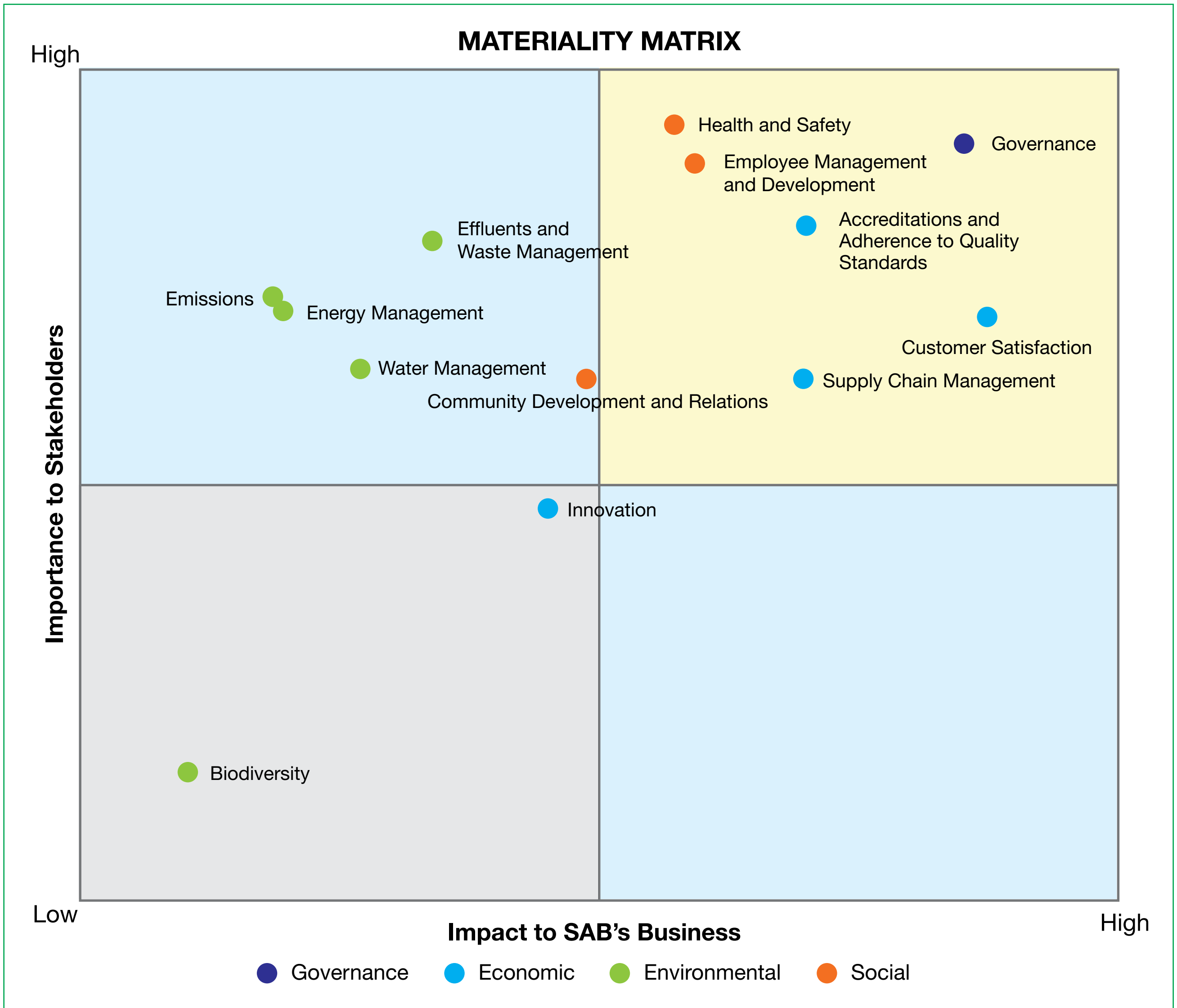
Given the diverse nature of the Company's operations across its core segments, stakeholder concerns and business priorities may differ across each segment. Accordingly, each segment, led by its respective segment head and working team, assesses the significance of relevant material matters based on operational priorities, business impact and stakeholder perspectives.

OUR SUSTAINABILITY APPROACH (CONT'D)

Material Matters (cont'd)

3. Validation

The prioritisation results are reviewed and discussed by the relevant sustainability working structure before being escalated to the Board for approval. This process supports the identification of the Company's thirteen (13) material matters, which form the basis of the Company's Sustainability Framework and the structure of its sustainability disclosures.



For FY2026, SAB reviewed its material matters and confirmed that the thirteen (13) material matters remain unchanged. Following the review, the FY2026 materiality matrix highlights six priority matters with stronger relevance to both stakeholder expectations and business impact, namely Governance, Health and Safety, Employee Management and Development, Accreditations and Adherence to Quality Standards, Customer Satisfaction, and Supply Chain Management.

Sustainability Statement (cont'd)

OUR SUSTAINABILITY APPROACH (CONT'D)

Material Matters (cont'd)

3. Validation (cont'd)

These matters reflect areas that are closely linked to SAB's operational resilience, regulatory compliance, product and service quality, workforce wellbeing and long-term stakeholder trust. The remaining material matters remain relevant and are monitored as part of SAB's broader sustainability management approach.

The FY2026 material matters have been reviewed and approved by Management and serve as the foundation for SAB's sustainability reporting and management approach for the financial year.

Material Matters	Descriptions
Governance	Refers to the Company's structures, policies and processes for managing its operations responsibly. This includes Board and management oversight, ethical conduct, transparency, anti-corruption practices, and the protection of data privacy and security.
Customer Satisfaction	Refers to the Company's efforts to understand, meet and, where possible, exceed customer and patient expectations through consistent product and service quality, responsiveness and continuous improvement.
Accreditations and Adherence to Quality Standards	Refers to the Company's alignment with applicable local and international standards, certifications and accreditations to support product quality, service excellence, safety and operational consistency.
Innovation	Refers to the Company's efforts to encourage new ideas, process improvements, digitalisation and operational enhancements that support efficiency, service quality and long-term value creation.
Supply Chain Management	Refers to the Company's role in managing its value chain responsibly by promoting ethical, reliable and sustainable practices among suppliers, while supporting local procurement where feasible.
Energy Management	Refers to the Company's efforts to monitor and optimise energy consumption, improve operational efficiency and support more responsible use of energy across its operations.
Emissions	Refers to the Company's management of greenhouse gas ("GHG") emissions and other air emissions arising from its operations, with the aim of reducing environmental impact and supporting climate-related responsibility.
Biodiversity	Refers to the Company's efforts to manage biodiversity-related impacts, protect ecosystems and support responsible land and cultivation practices.
Water Management	Refers to the Company's management of water consumption and water-related practices to support efficient use of resources and reduce environmental impact.
Effluents and Waste Management	Refers to the Company's management of effluents, scheduled waste, hazardous waste and non-hazardous waste to minimise environmental impact, encourage responsible disposal, and ensure compliance with applicable regulations.
Health and Safety	Refers to the Company's efforts to identify, manage and reduce workplace health and safety risks in order to safeguard the wellbeing of employees, workers, patients, contractors and relevant stakeholders.
Employee Management and Development	Refers to the Company's efforts to build a fair, supportive and capable workforce through responsible employment practices, employee welfare, training, development and engagement.
Community Development and Relations	Refers to the Company's engagement with and support for local communities through initiatives that address community needs and reflect its role as a responsible corporate citizen.

GOVERNANCE

SAB is committed to upholding responsible business conduct through transparent governance, ethical practices and effective oversight. The Company continues to strengthen its approach to anti-bribery and anti-corruption, regulatory compliance, data privacy and risk management. Through established policies, internal controls and governance structures, the Company seeks to maintain accountability, transparency and stakeholder trust across its operations.

Sustainability Management

During FY2026, SAB continued to strengthen its sustainability management practices by improving the collection, review and consolidation of sustainability-related information across its operating segments. This includes greater attention to source-level activity data, segment-level inputs, supporting documentation and internal review processes. These efforts support more transparent sustainability reporting and provide a stronger basis for tracking progress against the Company's material sustainability matters.

The Company's Sustainability Governance structure provides clear accountability across different levels of the organisation. Strategic direction and oversight are maintained at the Board and management level, while business segments and corporate functions are responsible for implementing relevant initiatives, maintaining compliance and providing operational data. This governance structure helps ensure that sustainability considerations remain integrated into business operations and that sustainability-related information is reviewed, consolidated and reported consistently.

Moving forward, SAB will continue to strengthen its sustainability management practices by enhancing internal coordination, improving data quality and aligning sustainability-related information with evolving reporting expectations. These efforts are expected to support more consistent disclosures, better monitoring of material sustainability matters and further integrate of sustainability considerations into the Group's long-term business resilience.

Our Performance and Progress

Policies

The Company's governance is reflected in the policies that guide employee behaviour, management decisions and stakeholder interactions. These policies provide the foundation for responsible business conduct by setting clear expectations on integrity, accountability, transparency and compliance across the Company and its subsidiaries. They also support the Company in managing governance-related risks, strengthening internal controls and fostering a culture where ethical conduct is embedded into daily operations.

Our Approach

SAB adopts a policy-driven approach to ensure that governance, sustainability and operational practices are consistently applied across relevant business functions. At the Group level, governance policies and documents establish the framework for Board oversight, ethical conduct, anti-corruption measures, whistleblowing, and corporate governance disclosure.

Policy	Area	Purpose
Board Charter	Corporate Governance	Sets out the strategic intent of the Board and defines the Board's roles and responsibilities.
Audit Committee TOR	Corporate Governance	Outlines the Audit Committee's authority, duties and responsibilities as mandated by the Board.
Nomination & Remuneration Committee TOR	Corporate Governance	Outlines the Committee's authority, duties and responsibilities in supporting Board composition, nomination and remuneration matters.
Fit and Proper Policy	Corporate Governance	Provides guidance for the appointment, re-election and evaluation of Directors to maintain the quality and integrity of the Board.
Code of Conduct and Ethics ("CoCE")	Business Ethics	Establishes expected standards of ethical, responsible and sustainable business conduct across the Company, its subsidiaries and business associates.

Sustainability Statement (cont'd)

GOVERNANCE (CONT'D)

Sustainability Management (cont'd)

Our Approach (cont'd)

Policy	Area	Purpose
Anti-Bribery and Anti-Corruption Policy ("ABAC Policy")	Anti-Corruption	Sets out the Company's responsibilities and provides guidance to the Board, employees and stakeholders to conduct business with integrity and in accordance with applicable laws, rules and regulations.
Whistleblower Policy ("WP")	Anti-Corruption / Business Ethics	Provides stakeholders with a formal avenue to report serious concerns or suspected misconduct.
Corporate Governance Report	Corporate Governance Disclosure	Provides disclosure on the Company's corporate governance practices and application of relevant governance principles.

At the operational level, our core business segments further supported by segment-specific policies that guide quality, customer service, food and feed safety, patient safety and healthcare quality, environmental responsibility, social responsibility, labour practices, human rights, and regulatory compliance.

In addition to our corporate governance policies, our certified segments are subject to governance controls that are independently audited under their respective certification schemes, providing an additional layer of assurance over ethical conduct, legal compliance and management systems. These certifications and accreditations support the Company's efforts to maintain responsible operations, regulatory compliance and stakeholder confidence across its core business segments.

Anti-Bribery and Anti-Corruption

Our Approach

SAB upholds a zero-tolerance stance towards bribery and corruption, and is committed to conducting its business with integrity, transparency and accountability. This commitment is guided by the Company's ABAC Policy, which provides guidance to the directors, employees and associated persons on dealing with improper solicitation, bribery and other corrupt practices that may arise during business.

The ABAC Policy supports the Company's efforts to maintain sound corporate governance practices and lawful business conduct across its operations. It sets out the Company's responsibilities in addressing wrongful activities, including potential violations of laws, rules, regulations, ethics, integrity and business conduct that may affect the Company's business and reputation.

To strengthen its anti-corruption framework, the Company's approach is guided by key principles including top-level commitment, risk assessment, control measures, systematic review and monitoring, enforcement, training, awareness and communication.

SAB also undertakes due diligence on relevant parties, including Board members, employees, agents, vendors, contractors, suppliers, consultants and other business associates, before entering into formalised relationships. This helps the Company identify potential integrity risks within its value chain and apply appropriate controls to safeguard the Company from bribery and corruption risks.

In FY2026, SAB continued to uphold the importance of ethical conduct and compliance with the ABAC Policy through its existing governance controls, integrity declarations, corruption risk assessment and reporting channels. These measures support a culture of integrity and reinforce the Company's expectation that business dealings are carried out in accordance with applicable laws, rules and regulations.

GOVERNANCE (CONT'D)

Whistleblowing

Our Approach

SAB's Whistleblower Policy forms an important part of the Company's anti-corruption and business ethics framework. While the ABAC Policy sets expectations on integrity and responsible business conduct, the Whistleblower Policy provides the reporting mechanism for employees, business associates and stakeholders to raise serious concerns involving the Company and/or its subsidiaries.

Through this policy, the Company encourages open communication and early reporting of suspected misconduct, including unethical behaviour, bribery, corruption, fraud, breaches of policies or other improper conduct. To support this, reports made in good faith are treated with confidentiality and reviewed in accordance with the Company's whistleblowing and investigation procedures.

The policy also protects whistle blowers from reprisal, discrimination or adverse employment consequences where concerns are raised based on reasonable belief. This protection is important in encouraging individuals to speak up without fear of retaliation. Where a violation is confirmed, appropriate remedial or disciplinary action will be taken to address the matter and prevent recurrence.

Our Performance and Progress

In FY2026, SAB continued to support its anti-bribery and anti-corruption framework through risk assessment, integrity declarations and incident reporting. These measures are closely linked to the whistleblowing mechanism, as they help the Company identify potential exposure areas, maintain appropriate controls and provide channels for concerns to be escalated where necessary.

During FY2026, 100% of the Company's operations were assessed for corruption-related risks. The internal corruption risk assessment focused on the Employee Integrity Pledge, which covers declarations relating to the CoCE, Conflict of Interest, Related Party Disclosure and Procurement Compliance. This assessment enables the Company to monitor employee-level compliance and identify areas requiring follow-up, with outstanding submissions being followed up to ensure full coverage.

In FY2026, SAB recorded improved ABAC training coverage across all employee categories compared with the previous two financial years. Training coverage increased to 98.8% for Management, 84.6% for Executive employees and 22.7% for Non-Executive employees. This improvement reflects SAB's ongoing efforts to strengthen awareness of ethical conduct, anti-bribery and anti-corruption requirements across its workforce.

Employee Category	FY2024	FY2025	FY2026
Management	90.9%	94.4%	98.8%
Executive	32.8%	41.6%	84.6%
Non-Executive	2.7%	6.8%	22.7%

For FY2026, there were zero confirmed incidents of corruption involving the Company, its subsidiaries, or employees. As there were no confirmed incidents, no corruption-related disciplinary action, dismissal, or legal action was required during the reporting period. This outcome reflects the Company's continued effort to maintain a culture of integrity, transparency, and accountability, supported by both preventive controls and reporting mechanisms.

SAB will continue to review and strengthen its anti-bribery, anti-corruption, and whistleblowing practices in line with regulatory requirements, operational needs and emerging risks across its business and value chain. The Company's ABAC Policy and Whistleblower Policy remain available to employees, business associates and stakeholders to support awareness, responsible conduct, and accountability.

Sustainability Statement (cont'd)

GOVERNANCE (CONT'D)

Data Privacy and Security

Our Approach

Responsible management of personal and business data is essential to preserving stakeholder trust, maintaining regulatory compliance, and safeguarding the Company's long-term resilience. As data continues to play an increasingly important role in business operations, the Company's responsibility extends beyond operational efficiency to include the protection of personal information, confidentiality, and privacy rights.

SAB places strong emphasis on data privacy and security across its business segments, particularly in Healthcare Services, where the protection of patient information is critical to maintaining trust and responsible care. Sri Kota has established a Personal Data Protection Act ("PDPA") Notice which outlines how personal data is collected, processed, disclosed, and protected in accordance with the PDPA 2010. The notice also sets out the rights of individuals to access, correct, update, limit or withdraw consent for the processing of their personal data.

For SAB's other business segments, information technology ("IT") requirements are supported by external service providers where applicable. These arrangements support business continuity, system reliability and the safeguarding of operational data assets. The Company will continue to review its data privacy and security practices in line with regulatory requirements, operational needs and evolving cybersecurity risks.

Healthcare Services

To safeguard personal data, Sri Kota implements layered security arrangements through staff training, restricted access on a need-to-know basis, secure record storage, controlled access to facilities, password protection, anti-virus and firewall protection, and encryption — reducing the risk of unauthorised access, disclosure, modification or loss of personal data while supporting continuity of healthcare operations.

<u>Information Security and Cyber Resilience</u>

We protect personal and operational data through a layered, defence-in-depth information-security architecture. Network traffic is secured by an enterprise firewall, endpoints are protected by managed anti-malware software, and our productivity and collaboration environment operates on a centrally managed Microsoft 365 platform. Our cybersecurity posture is built around automation, minimising reliance on manual intervention, and is reinforced by role-based access so that data is accessible only to authorised users on a need-to-know basis — in Healthcare Services, patient records are accessible only to authorised clinical staff and within defined retention parameters.

Data is backed up daily through a primary on-site database backup and a secondary encrypted copy held offsite at a separate administrative location, supporting recovery in the event of disruption. Our disaster-recovery arrangements are designed to preserve the confidentiality, integrity and availability of critical systems and data. We validate these controls through annual penetration testing and annual restoration testing across software, host, database and infrastructure layers, with core systems tested twice a year. New employees receive information-security orientation on joining, and changes to IT assets are reported to the IT function under a defined notification protocol.

<u>Data Protection Compliance Programme</u>

We maintain a structured programme to give effect to the PDPA 2010. We hold a valid Data User registration, renewed on a periodic cycle, and have appointed an external Data Protection Officer on a fixed term to provide independent oversight of our personal-data practices. During the year, we undertook a PDPA gap analysis using a structured questionnaire and reviewed our published PDPA Notice, supported by a suite of internal data-protection policies.

All staff receive internal data-protection training and awareness, coordinated by our Legal and Quality Assurance functions. We maintain a personal-data breach response protocol under which incidents are escalated to the Data Protection Officer for guidance and, where required, notification is made to the Personal Data Protection Commissioner, followed by investigation and remediation carried out internally by the relevant functions.

Sustainability Statement (cont’d)

GOVERNANCE (CONT'D)

Data Privacy and Security (cont'd)

Healthcare Services (cont'd)

Independent Assurance through MSQH Accreditation

Beyond statutory PDPA compliance, the management and security of health information at Sri Kota is independently assured under MSQH hospital accreditation. The Governing Body is required to treat all information relating to the facility, patients and staff in a confidential manner, and patient-record confidentiality is held to the Malaysian Medical Council guidelines — supported by written policies and procedures that protect patients’ personal and medical information and ensure records are stored securely and accessible only to designated staff.

Under MSQH’s Health Information Management System standard, Sri Kota maintains formal governance over its health-information and medical-records function — covering departmental organisation and oversight, data management that meets Malaysian statutory requirements, incident-reporting systems, a Medical Records Committee, and continuous quality improvement. Staff records are likewise maintained in an accurate, complete and confidential manner. Together with the PDPA framework, these controls give Sri Kota’s data privacy and security practices an independently audited foundation — a level of assurance distinct to the Healthcare Services Segment and a meaningful strength given the sensitivity of the patient data it holds.

Our Performance and Progress

As of 31 March 2026, there were no substantiated complaints concerning breaches of customer privacy and no reported incidents involving losses of customer data.

This reflects the Company’s continued efforts to safeguard customer and stakeholder information through established internal controls and responsible data handling practices. Maintaining data privacy and security remains important to SAB, particularly given the nature of its healthcare, customer-facing and business operations, where confidentiality and trust are essential.

Moving Forward

SAB will continue to strengthen its governance practices by enhancing oversight, accountability and ethical conduct across its operations. The Company will remain focused on ensuring that its governance policies and procedures remain relevant to regulatory requirements, business needs and stakeholder expectations.

SAB will continue to monitor the effectiveness of its ABAC framework, strengthen awareness of ethical business conduct, and encourage employees and stakeholders to utilise the whistleblowing channels where necessary. The Company will also continue to review its data privacy and security practices to support the protection of personal and business information. Through these efforts, SAB aims to reinforce a culture of integrity, transparency and responsible decision-making, while supporting long-term resilience and stakeholder trust.

Sustainability Statement (cont'd)

ECONOMIC

The Company recognises that sound economic performance is essential to supporting long-term business resilience and stakeholder value creation. In FY2026, the Company continued to focus on strengthening operational efficiency, maintaining product and service quality, and managing key business risks across its core segments. The Company also remains committed to responsible procurement, customer satisfaction and continuous improvement to support sustainable growth.

Customer Satisfaction

Our Approach

Customer satisfaction is a key driver of Sri Kota's economic sustainability, particularly within healthcare services, where service quality, patient trust and care experience directly influence long-term reputation and stakeholder confidence. For Sri Kota, delivering safe, responsive and quality healthcare is central to maintaining patient loyalty and strengthening its role as a community medical centre.

Sri Kota adopts a structured approach to understanding patient needs and expectations through regular feedback channels. Sri Kota monitors its service performance through the CSI, which provides a platform for patients to share feedback on their healthcare experience. The feedback collected is compiled and shared with department heads monthly, enabling the relevant teams to identify service gaps, monitor performance trends and implement targeted improvements.

In addition to the CSI, Sri Kota conducts a Hospital-wide Patient Experience Survey every six months. This survey assesses the overall patient journey, from admission through the Emergency Department to discharge, allowing the hospital to evaluate satisfaction across key service touchpoints. The insights gathered support continuous improvement in service delivery, communication and patient care.

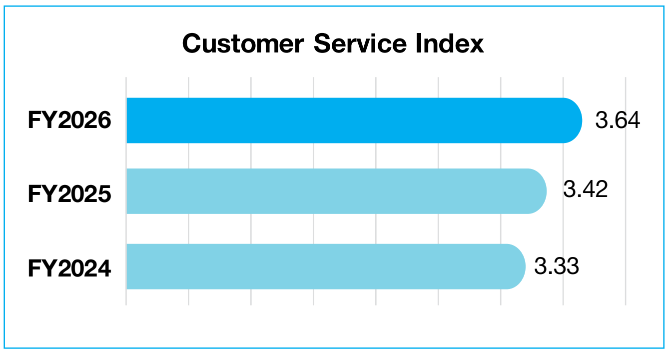
Sri Kota is also guided by accessible policies and service standards, including Patients and Family Rights, a Grievance Mechanism and a Service Standard Manual. These provide a framework for transparent communication, patient empowerment and consistent service delivery.

Our Performance and Progress

Customer Service Index

In FY2026, Sri Kota continued to monitor patient satisfaction through its CSI as part of its commitment to improving patient experience and service quality. The CSI score increased from 3.42 out of 4.0 in FY2025 to 3.64 out of 4.0 in FY2026.

This improvement reflects the positive impact of ongoing service enhancements within Healthcare Services. Beyond serving as a performance indicator, the CSI provides useful insights into patient expectations, service responsiveness and areas requiring further improvement. The upward trend also supports Sri Kota's objective of maintaining patient trust, strengthening service reliability and delivering quality healthcare to the community.



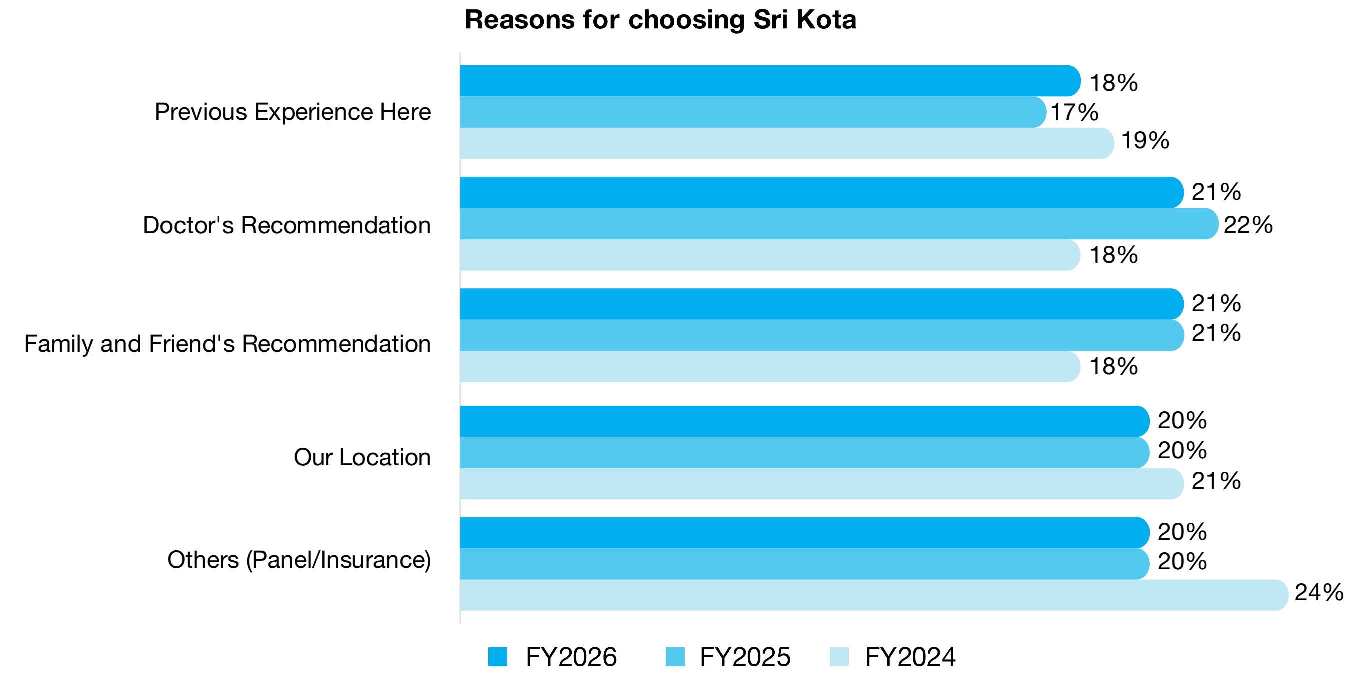
Indicator	FY2024	FY2025	FY2026
Aggregated CSI score	3.33 / 4.0	3.42 / 4.0	3.64 / 4.0

ECONOMIC (CONT'D)

Customer Satisfaction (cont'd)

Monthly Customer Satisfaction Survey

In FY2026, Sri Kota continued to gather patient feedback through its Monthly Customer Satisfaction Survey to better understand the key factors influencing patients' choice of healthcare services. The results indicate that patients' choice of Sri Kota is influenced by a combination of trusted medical professionals, personal recommendations, location convenience and panel or insurance arrangements. These findings reflect the importance of maintaining service quality, patient trust and accessibility, while supporting Sri Kota's efforts to strengthen patient-centred care and overall service experience.



Accreditations and Adherence to Quality Standards

Our Approach

Accreditations and adherence to quality standards are integral to SAB's operational discipline and long-term business resilience. Across its core business segments, these standards provide a structured basis for managing product quality, service reliability, patient safety, regulatory compliance and stakeholder confidence. This is particularly important as SAB operates in sectors where quality, safety and compliance are closely linked to business continuity and market trust.

For Oleochemical Manufacturing and Milling & Cultivation, certifications support the Company's ability to meet local and international market expectations, particularly in areas such as traceability, product safety, responsible sourcing and sustainable palm oil practices. In Oleochemical Manufacturing, the segment's alignment with the RSPO Supply Chain Certification Standard ("SCCS") and MSPO SCCS strengthens traceability and responsible sourcing within the palm-based oleochemical value chain. SAI has also been a registered member of the RSPO and MSPO since 2014 and 2019 respectively, reflecting the segment's commitment to supporting market demand for sustainable palm oil-based products.

For Milling & Cultivation, MSPO and ISPO certifications provide a structured framework for oil palm cultivation and milling operations to comply with applicable sustainability and ESG requirements in Malaysia and Indonesia.

Sustainability Statement (cont'd)

ECONOMIC (CONT'D)

Accreditations and Adherence to Quality Standards (cont'd)

Our Approach (cont'd)

Similarly, within Healthcare Services, adherence to quality and safety standards is essential to ensure that patients receive safe, effective and consistent care. Quality audits, hospital licensing inspections, service manuals and staff training support Sri Kota in maintaining regulatory readiness and improving patient outcomes. These measures also reinforce patient confidence, which is critical to the segment's long-term reputation and service sustainability.

To ensure these standards remain effective, SAB continues to benchmark its operations against applicable regulatory requirements, certification standards and industry practices. Internal and third-party audits provide a mechanism for identifying gaps, strengthening processes and supporting continuous improvement across the value chain. Through this approach, accreditations are not viewed merely as compliance requirements, but as tools that help the Company improve operational consistency, manage risks and create long-term stakeholder value.

Our Performance and Progress

In FY2026, SAB maintained a range of certifications, accreditations, licences and quality standards across its core business segments. These certifications support operational credibility and provide assurance to customers, patients, regulators and other stakeholders that the Company's products, services and processes are managed in accordance with recognised standards.

Business Segment	Accreditations / Quality Standards
Oleochemical Manufacturing	**Sustainability Supply Chain** 1. RSPO SCCS 2. MSPO Part 4-2 (MS 2530-4-2:2022) **Management and Quality Standards** 1. Quality Management Systems ISO 9001:2015 2. Environmental Management System ISO 14001:2015 3. Occupational Health and Safety Management System ISO 45001:2018 **Product Quality and Safety Standards** 1. Food Good Manufacturing Practice Malaysian Standard ("MS") 1514:2022 2. Food Safety Management System FSSC 22000 v.6 3. GMP+ Feed Safety Assurance for Production of Feed Materials 4. GMP+ Feed Safety Assurance for Trade in Feed 5. Hazard Analysis and Critical Control Point MS 1480:2019 6. Halal Certification 7. Kosher Certification
Milling & Cultivation	**Management and Quality Standards** 1. MSPO Certification, covering 1 estate 2. ISPO Certification, covering 2 mills and 2 estates
Healthcare Services	**Management and Quality Standards** 1. MSQH Accreditation 2. Hospital Licensing Inspection by the Ministry of Health **Safety Standards** 1. BOMBA Licensing Inspection 2. *Jabatan Keselamatan dan Kesihatan Pekerjaan* Licensing Inspection **Awards and Recognition** 1. AIA SMART Panel Hospital 2. AIA Customers' Choice Award – Outstanding Hospital (Klang Valley) 3. Healthcare Asia Awards 2026: Facilities Improvement Initiative of the Year Category 4. Sin Chew Business Excellence Awards 2025: Business Service Excellence Award Category

Sustainability Statement (cont'd)

ECONOMIC (CONT'D)

Patient Safety and Quality of Care

As the operator of Sri Kota, SAB regards patient safety and clinical quality as the foundation of its healthcare operations and a core element of its social responsibility. The Company manages clinical risk through established clinical governance structures, infection prevention and control protocols, incident reporting and root-cause review, and compliance with applicable healthcare regulatory and accreditation requirements, all designed to prevent avoidable harm and protect the wellbeing of patients. Sustained clinical quality is material to the segment's reputation, patient trust and long-term viability, and the Company monitored its performance in FY2026 through key clinical-quality and patient-safety indicators.

Innovation

Our Approach

Innovation plays an important role in strengthening the Company's operational resilience, service quality and long-term competitiveness. Across its business segments, the Company continues to explore improvements that support efficiency, customer and patient experience, safety, and business growth.

For Healthcare Services, innovation is particularly important in enhancing clinical capabilities and expanding access to specialised care. In FY2026, Sri Kota introduced several new initiatives to improve patient care, support medical precision and strengthen its position as a community-focused specialist medical centre.

Our Performance and Progress

In FY2026, Sri Kota launched Klang's first Bi-Plane HOT, equipped with the Philips Azurion 7 Bi-Plane angiography system. The facility combines the functionality of a traditional operating theatre with real-time, high definition imaging capabilities, allowing diagnosis and treatment to be performed within the same room. This supports more efficient clinical workflows by reducing patient transfers, shortening procedure times and improving patient safety.

The HOT also enhances Sri Kota's ability to perform a wider range of minimally invasive procedures, including endovascular aneurysm repairs, neuro interventions for stroke and aneurysm coiling, vascular angioplasty and stenting, structural heart procedures, and complex cardiac angiography. By enabling collaboration among cardiologists, vascular surgeons, interventional radiologists, anaesthetists and trained nurses in a single integrated environment, the facility supports faster decision-making, immediate surgical support where required and more coordinated patient care.

Sustainability Statement (cont'd)

ECONOMIC (CONT'D)

Innovation (cont'd)

During FY2026, Sri Kota also undertook the upgrading of the Level 7 Ward. This initiative supports the hospital's commitment to enhancing patient comfort, service quality and care experience, particularly for maternity patients and families.

In addition, Sri Kota introduced a one-stop Fertility Unit, marking an expansion of its specialised healthcare services into reproductive medicine. The Fertility Unit offers services such as intrauterine insemination, in vitro fertilisation ("IVF"), intracytoplasmic sperm injection, fertility diagnostics, embryo selection support, time-lapse imaging, genetic testing, assisted hatching, male fertility assessment and fertility preservation through egg, sperm and embryo freezing.

These initiatives demonstrate how innovation contributes beyond infrastructure upgrades. By integrating advanced medical technologies and expanding specialised services, Sri Kota is able to improve clinical precision, enhance patient safety, support early diagnosis and treatment, and provide more comprehensive care to the community. Moving forward, Healthcare Services will continue to review opportunities to strengthen its clinical capabilities, improve patient experience and invest in technologies that support accessible and quality healthcare.

Supply Chain Management

Our Approach

SAB prioritises responsible sourcing through a transparent and impartial tender or procurement process. Potential vendors are evaluated based on predefined criteria to ensure alignment with the Company's expectations on quality, integrity, reliability and responsible business conduct. As part of its supplier due diligence process, new suppliers are required to complete a New Supplier Qualification Questionnaire, which includes an assessment of their Corporate Social Responsibility ("CSR") practices. This supports the Company in considering sustainability-related factors as part of supplier selection and onboarding.

To strengthen procurement governance, SAB also applies due diligence procedures under its ABAC Policy. Relevant assessment forms are used to evaluate vendors and agents, with focus areas including conflict of interest, legal compliance and ethical business conduct. Final approvals are granted by the designated authorities based on the nature of the purchase and the relevant business unit involved, which may include the Head of the Operating Business Unit, Procurement Management or other authorised personnel. This process helps ensure that procurement decisions are made in line with the Company's values, internal controls and risk mitigation standards.

The Oleochemical Manufacturing Segment is guided by a Sustainable Procurement Policy, which reinforces the importance of responsible sourcing within its palm oil supply chain. The policy outlines commitments to meeting global demand and product quality standards, respecting the environment, caring for employee health and safety, supporting zero-deforestation, and respecting Free, Prior and Informed Consent in the operational palm oil supply chain. It also covers key sustainable procurement areas, including labour and human rights, health and safety, environmental responsibility, ethics and business conduct, and management compliance with applicable laws and regulations.

ECONOMIC (CONT'D)

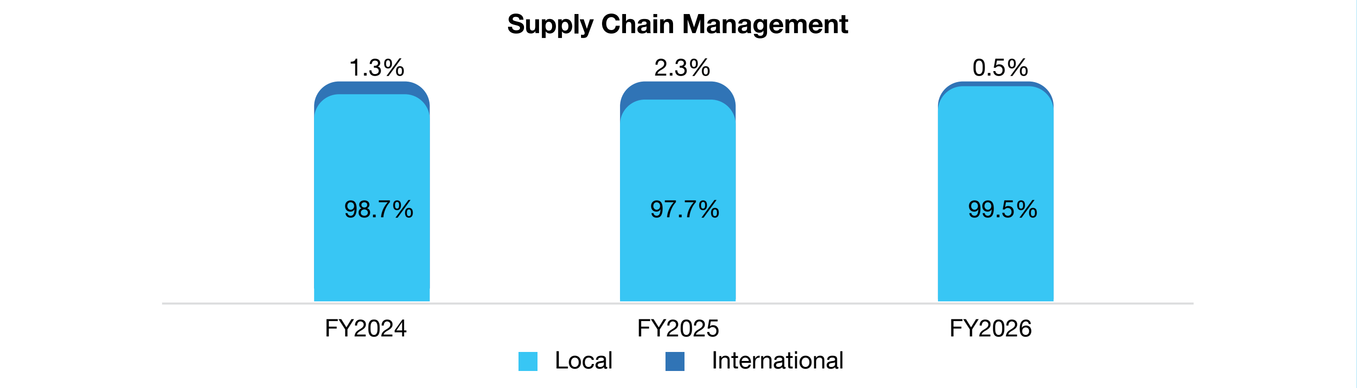
Supply Chain Management (cont'd)

These commitments are further supported by RSPO, MSPO and ISPO standards, which promote traceability, legal compliance, responsible sourcing and transparent management of palm oil-related activities. For Oleochemical Manufacturing, the RSPO SCCS and MSPO Part4-2 strengthen the segment's ability to meet customer expectations for certified and traceable palm-based products. For Milling & Cultivation, MSPO and ISPO guide oil palm cultivation and milling practices by supporting lawful land use, supplier accountability, ethical labour practices and responsible stakeholder engagement across the upstream palm oil value chain.

Together, the Sustainable Procurement Policy and relevant palm oil certification standards help strengthen supplier accountability, support business continuity and promote responsible procurement practices across the Company's value chain.

Our Performance

In FY2026, the Company continued to prioritise local procurement where feasible, with 99.5% of procurement spending directed to local suppliers. The consistently high proportion of local procurement reflects the Company's ongoing effort to support local suppliers, strengthen supply chain accessibility and reduce reliance on overseas sourcing where practical. This approach also contributes to operational continuity by enabling shorter lead times, easier supplier coordination and better responsiveness to business requirements across the Company's core segments.



Indicator	FY2024	FY2025	FY2026
Local procurement	98.7%	97.7%	99.5%

The increase in FY2026 indicates that the Company maintained a strong local sourcing base while continuing to balance procurement decisions with quality, reliability, cost efficiency and operational needs. Moving forward, the Company will continue to engage with suppliers responsibly and strengthen procurement practices that support supply chain resilience, business continuity and local economic contribution.

Moving Forward

SAB will continue to strengthen the Economic pillar by focusing on initiatives that support business resilience, service quality and long-term stakeholder value. The Company's efforts in customer satisfaction, quality standards, innovation and supply chain management are closely interconnected, as each area contributes to the Company's ability to maintain customer and patient trust, improve operational effectiveness and respond to evolving market expectations.

SAB will continue to use feedback from customers and patients, certification outcomes, audit findings and supplier performance to guide improvement actions across its core business segments. For Healthcare Services, this includes enhancing patient experience, expanding clinical capabilities and investing in medical technologies that support safer and more efficient care. For Oleochemical Manufacturing and Milling & Cultivation, the Company will continue to uphold relevant certifications and quality standards to support product reliability, market access and responsible business practices.

At the same time, we will continue to strengthen procurement practices by engaging with responsible suppliers, maintaining due diligence processes and prioritising local procurement where feasible.

Sustainability Statement (cont'd)

ENVIRONMENTAL

SAB recognises the importance of responsible environmental management in supporting operational efficiency, regulatory compliance and long-term business resilience. The Group's environmental disclosures for FY2026 cover GHG emissions, energy consumption, water consumption, waste generation and selected climate-related risks across its key operating segments.

The environmental section is presented in two parts. The first part provides a consolidated overview of the Group's environmental performance. The second part presents segmental environmental information for the Oleochemical Manufacturing, Healthcare Services and Milling & Cultivation segments, based on available operational data.

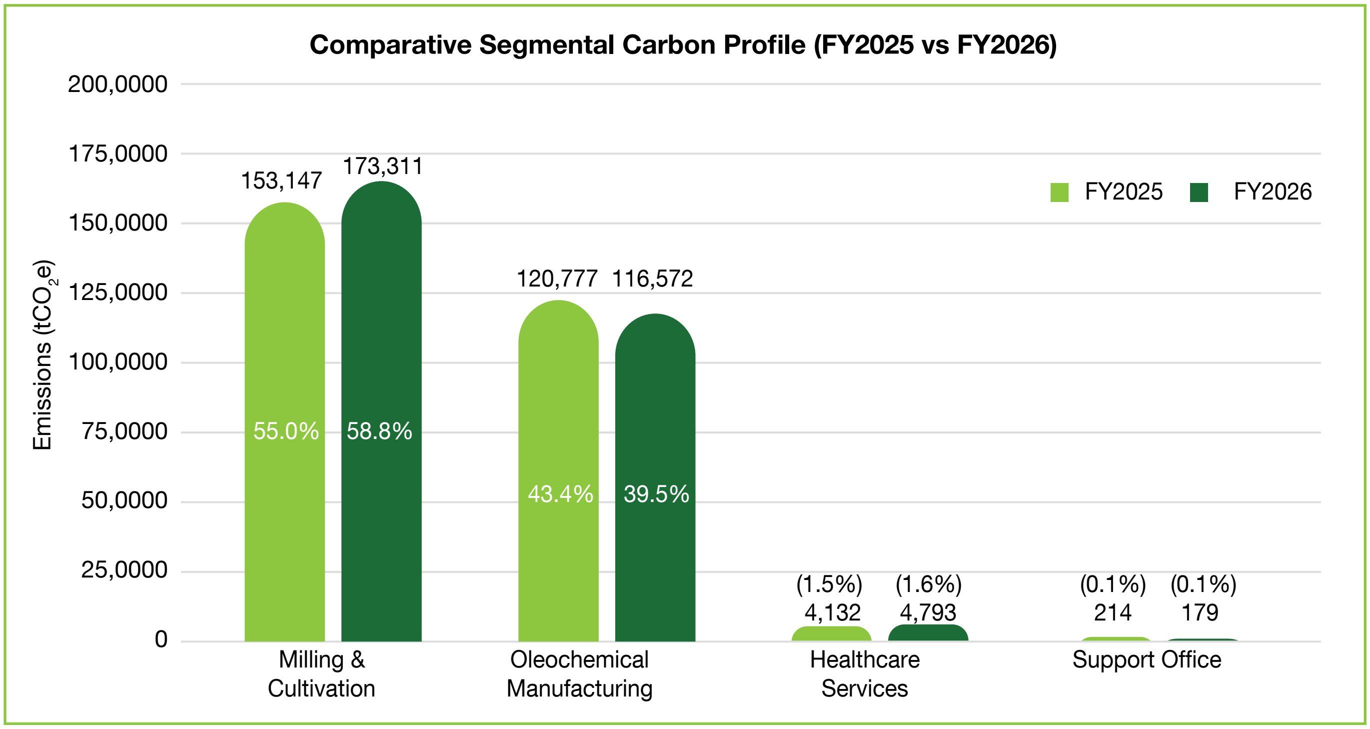
Consolidated Environmental Performance

SAB operates across diversified business activities, including Oleochemical Manufacturing, Healthcare Services and Milling & Cultivation. As each segment has different operational activities and environmental impacts, the Group monitors its environmental performance through both consolidated and segment-level disclosures.

The table below summarises SAB's consolidated GHG emissions performance for FY2025 and FY2026.

Emissions Category	Source Activity Stream	Unit	FY2025	FY2026	YoY Variance (%)
Scope 1 (Direct)	Process execution, stationary boilers, and mobile fleet combustion	tCO_2e	257,444	276,396	+7.4%
Scope 2 (Indirect)	Purchased electricity consumed across facilities and networks.	tCO_2e	19,943	17,703	-11.2%
Scope 3 (Value Chain)	Selected categories: Tracked business travel and employee commuting.	tCO_2e	883	756	-14.4%
Total Carbon Footprint	**Consolidated Emissions Perimeter**	**tCO_2e**	**278,270**	**294,855**	**+6.0%**

Note: tCO_2e - tonnes of carbon dioxide equivalent



ENVIRONMENTAL (CONT'D)

Greenhouse Gas Emissions: FY2026 Performance Analysis

Overview of Emissions Profile for the financial reporting period of FY2026, the Group's GHG inventory displayed mixed performance across its operational boundaries.

For FY2026, SAB recorded total GHG emissions of 294,855 tCO_2e, compared with 278,270 tCO_2e in FY2025. This represented an increase of approximately 6.0%. The increase was mainly attributable to higher Scope 1 emissions, while Scope 2 and Scope 3 emissions decreased during the year.

Scope 1 (Direct Emissions)

Scope 1 emissions increased by 7.4%, from 257,444 tCO_2e in FY2025 to 276,396 tCO_2e in FY2026. Scope 1 remained the largest contributor to the overall emissions profile, reflecting the nature of SAB's operating activities, including process execution, stationary combustion and mobile fuel consumption across relevant segments.

The increase in Scope 1 emissions was mainly associated with direct operational activities within the core segments. As Scope 1 emissions are closely linked to fuel use, process requirements and production-related activities, year-on-year ("YoY") movements may be influenced by changes in operational intensity, estate and mill activities, fuel mix and the level of direct combustion required to support business operations. SAB will continue to monitor Scope 1 emission sources to improve visibility over direct operational emissions and support future emissions management.

Scope 2 (Indirect Emissions)

Scope 2 emissions decreased by 11.2%, from 19,943 tCO_2e in FY2025 to 17,703 tCO_2e in FY2026. Scope 2 emissions relate to purchased electricity consumed across SAB's facilities and operations.

The reduction in Scope 2 emissions reflects lower purchased electricity-related emissions recorded during the year. This may be influenced by changes in electricity consumption patterns, operational requirements and energy management practices across the core segments. As electricity remains an important resource for manufacturing facilities, healthcare operations and supporting activities, SAB will continue to monitor purchased electricity consumption and identify practical opportunities to improve energy efficiency where feasible.

Scope 3 (Value Chain Emissions)

Scope 3 emissions decreased by 14.4%, from 883 tCO_2e in FY2025 to 756 tCO_2e in FY2026. The disclosed Scope 3 emissions currently cover business travel and employee commuting, based on recorded data.

The movements in travel activity may affect the YoY emissions trend. SAB will continue to strengthen its data collection process and expand the completeness of Scope 3 disclosures where practicable.

Sustainability Statement (cont'd)

ENVIRONMENTAL (CONT'D)

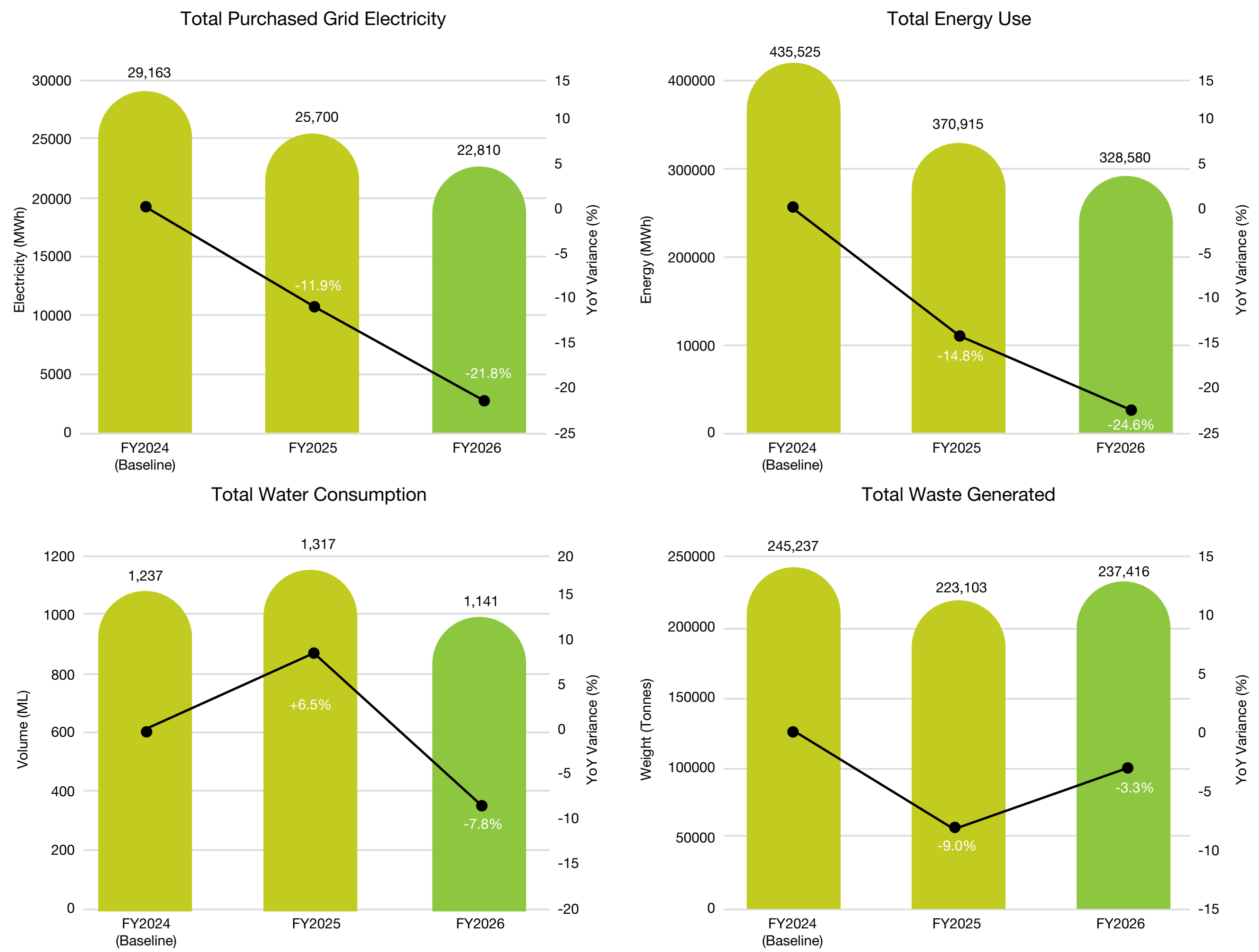
Consolidated Resource Logistics Balance Sheet

SAB's consolidated resource consumption and waste generation performance for FY2024 to FY2026. The indicators cover purchased grid electricity, total energy use, water consumption and material waste generated across the Group, based on available operational data.

Tracked Material Resource Factor	Operational Perimeter Unit	FY2024 Baseline	FY2025 Performance	FY2026 Performance	Rolling 3-Year Trend
Total Purchased Grid Electricity	Mwh	29,163	25,700	22,810	-21.8%
Total Energy Use	Mwh	435,525	370,915	328,580	-24.6%
Total Water Consumption	Megaliter ("ML")	1,237	1,317	1,141	-7.8%
Total Waste Generated	Tonnes	245,237	223,103	237,416	-3.3%

Note: Mwh - Megawatt-hour

Consolidated Sustainability Performance with Rolling Trend



ENVIRONMENTAL (CONT'D)

Resource Consumption & Waste Management: FY2024 to FY2026 Performance Analysis

Over the three-year reporting period, SAB recorded reductions in total purchased grid electricity, total energy use and water consumption. Waste generation increased compared with FY2024, although FY2026 waste generation was lower than FY2025. These movements reflect the differing operational profiles of the core segments and the varying resource requirements across oleochemical manufacturing, healthcare services and milling and cultivation activities.

Total Energy and Grid Electricity Profile

SAB's total energy use decreased by 24.6%, from 435,525 MWh in FY2024 to 328,580 MWh in FY2026. Purchased grid electricity also decreased by 21.8% over the same period, from 29,163 MWh in FY2024 to 22,810 MWh in FY2026.

The reduction indicates a lower level of recorded energy consumption across the three-year period. As the Group operates across different business segments, changes in energy use may be affected by operational requirements, production activity, electricity consumption patterns and the energy mix used by the respective segments. SAB will continue to monitor energy consumption to support better visibility over resource use and identify practical opportunities for energy efficiency where feasible.

Volumetric Water Consumption

Total water consumption decreased by 7.8% over the three-year period, from 1,237 ML in FY2024 to 1,141 ML in FY2026. Water consumption increased in FY2025 to 1,317 ML before decreasing in FY2026.

The movement in water consumption reflects the different water requirements across the operating segments, including manufacturing processes, healthcare operations, estate activities and general facility use. As the specific operational drivers for the YoY movement are not separately disclosed, SAB's reporting focuses on the observed trend based on available data. The Group will continue to monitor water consumption and improve data tracking across its operating entities.

Material Waste Generation

Total material waste generated decreased by 3.3% over the three-year period, from 245,237 tonnes in FY2024 to 237,416 tonnes in FY2026. However, it was higher than FY2025, which recorded 223,103 tonnes.

While waste generation increased YoY in FY2026 compared with FY2025, it remained below the FY2024 baseline, resulting in an overall 3.3% reduction over the three-year period. Waste generation may vary depending on operating activity, production levels, biomass-related outputs, healthcare waste and other waste streams across the core segments. SAB will continue to monitor waste generation and strengthen waste data collection to support more consistent environmental performance tracking.

CONSOLIDATED: OVERALL CARBON INTENSITY ANALYSIS

To evaluate the emissions profile on a consolidated basis, this section aggregates GHG emissions across SAB's three core operating segment.

As each segment operates in a different sector with different production and operational metrics, consolidated carbon intensity would typically be measured against a common financial denominator such as consolidated revenue. However, as the required financial denominator is not presented in this section, the analysis below focuses on the consolidated absolute emissions performance and segmental emissions contribution based on available environmental data.

Carbon Disclosure & Operational Parameters

Carbon Disclosure & Operational Parameters	Unit	FY2025 Baseline	FY2026 Performance	YoY Variance
Scope 1 (Direct Emissions)	tCO_2e	257,444	276,396	+7.4%
Scope 2 (Indirect Emissions)	tCO_2e	19,943	17,703	-11.2%
Operational Carbon Footprint (Scope 1 + 2)	**tCO_2e**	**277,387**	**294,099**	**+6.0%**
Scope 3 (Value Chain Emissions)	**tCO_2e**	**883**	**756**	**-14.4%**
Total Carbon Footprint (Total Scopes)	**tCO_2e**	**278,270**	**294,855**	**+6.0%**

Sustainability Statement (cont'd)

ENVIRONMENTAL (CONT'D)

CONSOLIDATED: OVERALL CARBON INTENSITY ANALYSIS (CONT'D)

The Direct Operational Subtotal (Scope 1 & 2)

SAB's direct operational emissions subtotal, comprising Scope 1 and Scope 2 emissions, increased by 6.0% from 277,387 tCO_2e in FY2025 to 294,099 tCO_2e in FY2026. The increase was mainly due to higher Scope 1 emissions, which rose by 7.4% during the year.

The Milling & Cultivation remained the largest contributor to the consolidated emissions profile, reflecting the nature of agribusiness and milling operations. The Oleochemical Manufacturing also represented a significant portion of the consolidated emissions, although its Scope 2 emissions decreased during the year. The Healthcare Services contributed a smaller share of the total emissions, with its emissions profile mainly linked to purchased electricity required for continuous hospital operations.

Value Chain Minimisation (Scope 3)

Consolidated Scope 3 emissions decreased by 14.4%, from 883 tCO_2e in FY2025 to 756 tCO_2e in FY2026. The disclosed Scope 3 categories currently cover selected value chain activities, namely employee commuting and business travel, based on available data.

While Scope 3 emissions remain relatively small compared with Scope 1 and Scope 2 emissions, the Group recognise the importance of progressively improving value chain emissions tracking as part of its broader environmental disclosure practices.

SAB's overall emissions profile reflects the different operating characteristics of its three core segments. Total GHG emissions increased in FY2026, mainly due to higher Scope 1 emissions, while Scope 2 and Scope 3 emissions decreased during the year.

Milling & Cultivation represented the largest share of the Group's FY2026 emissions profile, contributing 58.8% of the total. This was followed by Oleochemical Manufacturing at 39.5% and Healthcare Services at 1.6%. The distribution reflects the nature of each segment's operations, with agribusiness, milling and manufacturing activities generally carrying higher operational emissions compared with healthcare services.

SAB will continue to strengthen its environmental data collection process and monitor emissions performance across its operating segments. This will support better visibility over emissions trends and enable the Group to assess opportunities for future improvement, taking into account operational requirements, business activity levels and data availability.

Operating Segment	Absolute Emissions (tCO_2e)	Percentage of Total
Milling & Cultivation	173,311	58.8%
Oleochemical Manufacturing	116,572	39.5%
Healthcare Services	4,793	1.6%
Support Office	179	0.1%
Total	**294,855**	**100.0%**

ENVIRONMENTAL (CONT'D)

CLIMATE RISK

SAB evaluates how climate-related factors may interact with operational continuity, supply chain networks and long-term financial performance.

Climate Risks & Opportunities

SAB recognises that climate-related factors may affect the Group operational continuity, supply chain networks and long-term business performance. The Group's climate risk profile is considered through two broad areas, namely physical risks and transition risks.

Physical risks include acute and chronic climate-related events such as changes in rainfall patterns, temperature fluctuations, flooding and other localised weather conditions. These risks are particularly relevant to SAB's agribusiness operations, as they may affect land productivity, FFB harvesting cycles and estate accessibility. Extreme weather events may also disrupt transport routes, delay raw material delivery to manufacturing facilities or affect utility supply across the healthcare operations.

Transition risks include regulatory, policy and market-related changes arising from the shift towards a lower-carbon economy. These may include stricter carbon reporting requirements, evolving emissions disclosure expectations and increasing customer demand for certified and traceable palm-based products. SAB manages these risks by strengthening environmental data collection, monitoring relevant regulatory developments and maintaining certification-related practices across applicable operating segments.

Oleochemical Manufacturing

For the Oleochemical Manufacturing, physical climate-related risks are mainly associated with water availability, water quality and raw material supply chain continuity. Water is an important operational input for chemical processing, cooling towers, industrial cleaning and other production-related activities within SAI. Changes in regional water availability, disruptions to municipal water supply or deterioration in water quality may affect processing continuity, increase utility or treatment costs and potentially disrupt plant operations.

The segment may also be exposed to acute physical risks arising from extreme weather events, including localised flooding and severe monsoon conditions. Such events may damage roads, transport corridors or logistics infrastructure, which could delay the delivery of palm-based feedstock and other raw materials to the Kapar facility. Any delay in raw material supply may affect production scheduling, inventory planning and overall operational efficiency.

Transition risks for the Oleochemical Manufacturing include regulatory, policy and market-related developments associated with the shift towards a lower-carbon and more traceable supply chain environment. The segment uses boilers, generators and process equipment that consume energy from both renewable and non-renewable sources. While renewable biomass forms part of the's energy profile, the segment also consumes fuels such as diesel, LPG and natural gas. Future carbon-related regulations, emissions pricing mechanisms or higher fossil fuel-related costs may increase operating costs associated with Scope 1 emissions.

Market expectations on responsible sourcing and traceability also remain relevant to the segment, particularly as SAI supplies oleochemical products to international markets. Customers in regulated markets increasingly expect certified, traceable and responsibly sourced palm-based products. Maintaining certification-related practices, including RSPO SCCS and MSPO Part 4-2 where applicable, supports the segment's ability to manage market access risks and respond to evolving customer sustainability expectations.

Sustainability Statement (cont'd)

ENVIRONMENTAL (CONT'D)

CLIMATE RISK (CONT'D)

Milling & Cultivation

For the Milling & Cultivation, physical climate-related risks are mainly associated with rainfall patterns, drought, temperature changes, flooding and estate infrastructure resilience. Upstream cultivation activities depend on long-term land productivity, stable growing conditions and healthy surrounding ecosystems. Changes in rainfall patterns, prolonged dry periods or rising average temperatures may affect oil palm growth, FFB ripening cycles, oil extraction rates and overall crop yields.

The segment may also be exposed to acute physical risks such as severe rainfall and flooding. Heavy precipitation may overwhelm estate drainage systems, flood low-lying cultivated areas, increase soil erosion and disrupt harvesting activities. These conditions may also delay the transportation of harvested FFB to processing mills, where timely processing is important to preserve crop quality and operational efficiency.

Transition risks for the Milling & Cultivation include increasing sustainability certification requirements, traceability expectations and environmental compliance obligations. The two mills in Indonesia relies significantly on external smallholders and regional out growers for raw crop inputs. As ISPO requirements and international market expectations continue to evolve, the segment may face compliance risks if third-party suppliers are unable to demonstrate sustainable and traceable field practices. To manage this, the segment continues to support administrative oversight, internal monitoring and supplier-related compliance practices where applicable.

The segment is also subject to environmental regulations relating to zero-burning practices, waste management, riparian buffer conservation and palm oil mill effluent ("POME") management. Inadequate treatment of POME or improper handling of agricultural scheduled waste, such as chemical containers and used lubricants, may result in regulatory penalties, operational disruptions or certification-related risks. The segment therefore continues to manage these areas through compliance monitoring and operational controls aligned with applicable regulatory and certification requirements.

Healthcare Services

For the Healthcare Services, physical climate-related risks are mainly associated with temperature changes, electricity reliability and water availability. Sri Kota requires continuous and stable electricity to support medical equipment, ventilation, cooling systems, operating theatres, patient areas and other critical hospital facilities. Rising temperatures or prolonged heat conditions may increase cooling demand and place additional pressure on air-conditioning and ventilation systems, which may in turn increase electricity consumption and maintenance requirements.

Water availability is also an important physical risk for the Healthcare Services. Hospitals require a reliable water supply for sanitation, sterilisation, clinical cleaning, patient care and general facility operations. Disruptions to municipal water supply, including those caused by drought or external water management issues, may affect daily hospital operations and require contingency measures to ensure continuity of essential services.

Transition risks for the Healthcare Services include changes in electricity tariffs, indirect carbon-related costs and stricter environmental compliance requirements. As a healthcare facility with continuous operational needs, the segment relies heavily on purchased grid electricity. In FY2026, Scope 2 emissions from purchased electricity amounted to 4,229 tCO_2e, making electricity consumption a key environmental consideration for the segment.

Healthcare Services is also required to manage regulated waste streams, including clinical waste, hazardous chemicals and pharmaceutical-related waste. As environmental and healthcare-related waste requirements continue to evolve, the segment may face stricter expectations on waste segregation, temporary storage, disposal tracking and third-party waste handling. The segment continues to manage these risks through operational controls and compliance with applicable healthcare and environmental requirements.

ENVIRONMENTAL (CONT'D)

SEGMENTATION ANALYSIS

Oleochemical Manufacturing

The Oleochemical Manufacturing represents a major industrial focal point for the Group's sustainability footprint. The segment converts palm-based feedstock into value-added oleochemical products like fatty acids and glycerine.

Production output in the Oleochemical Manufacturing decreased by 40.7% in FY2026 compared with FY2025. The lower production output provides relevant context for the reductions recorded in purchased electricity consumption, process water consumption, industrial wastewater treated and operational waste generated during the year.

The table below depicts the overall Scope 1, 2 and 3, water and waste respectively and the carbon intensity ratio for Operational Scope and Overall, Scope in terms of production tonnage of finished product.

Environmental Pillar	Performance Indicator	Unit	FY2024 Baseline	FY2025 Baseline/ Performance	FY2026 Performance	Rolling Trend
Production	**Production Output**	**MT**	**72,929**	**71,760**	**42,581**	**-41.6%**
Carbon Footprint	Scope 1 (Direct Emissions)	tCO_2e	-	104,293	103,607	-0.7%
	Scope 2 (Indirect Emissions)	tCO_2e	-	16,332	12,835	-21.4%
	Operational Carbon Footprint *(Scope 1 + 2)*	**tCO_2e**	**-**	**120,625**	**116,442**	**-3.5%**
	Scope 3 (Value Chain Emissions)	tCO_2e	-	152	130	-14.5%
	Total Segment GHG Emissons *(Scope 1 + 2 + 3)*	tCO_2e	**-**	**120,777**	**116,572**	**-3.5%**
Energy Use	Non-Renewable Fuel Consumed	MWh	152,532	117,346	64,108	-58.0%
	Renewable Energy Consumed	MWh	247,224	219,713	239,981	-2.9%
	Purchased Grid Electricity	MWh	23,519	20,939	16,455	-30.0%
	Total Segment Energy Use	**MWh**	**423,275**	**357,998**	**320,544**	**-24.3%**
Water Consumption	Process Water Consumption	ML	482	513	347	-28.0%
	Industrial Wastewater Treated	ML	119	106	85	-28.6%
Waste Generated	Waste Diverted from Disposal	Tonnes	167	114	84	-49.7%
	Waste Directed to Disposal	Tonnes	129	103	66	-48.8%
	Total Segment Waste Generated	**Tonnes**	**296**	**217**	**150**	**-49.3%**

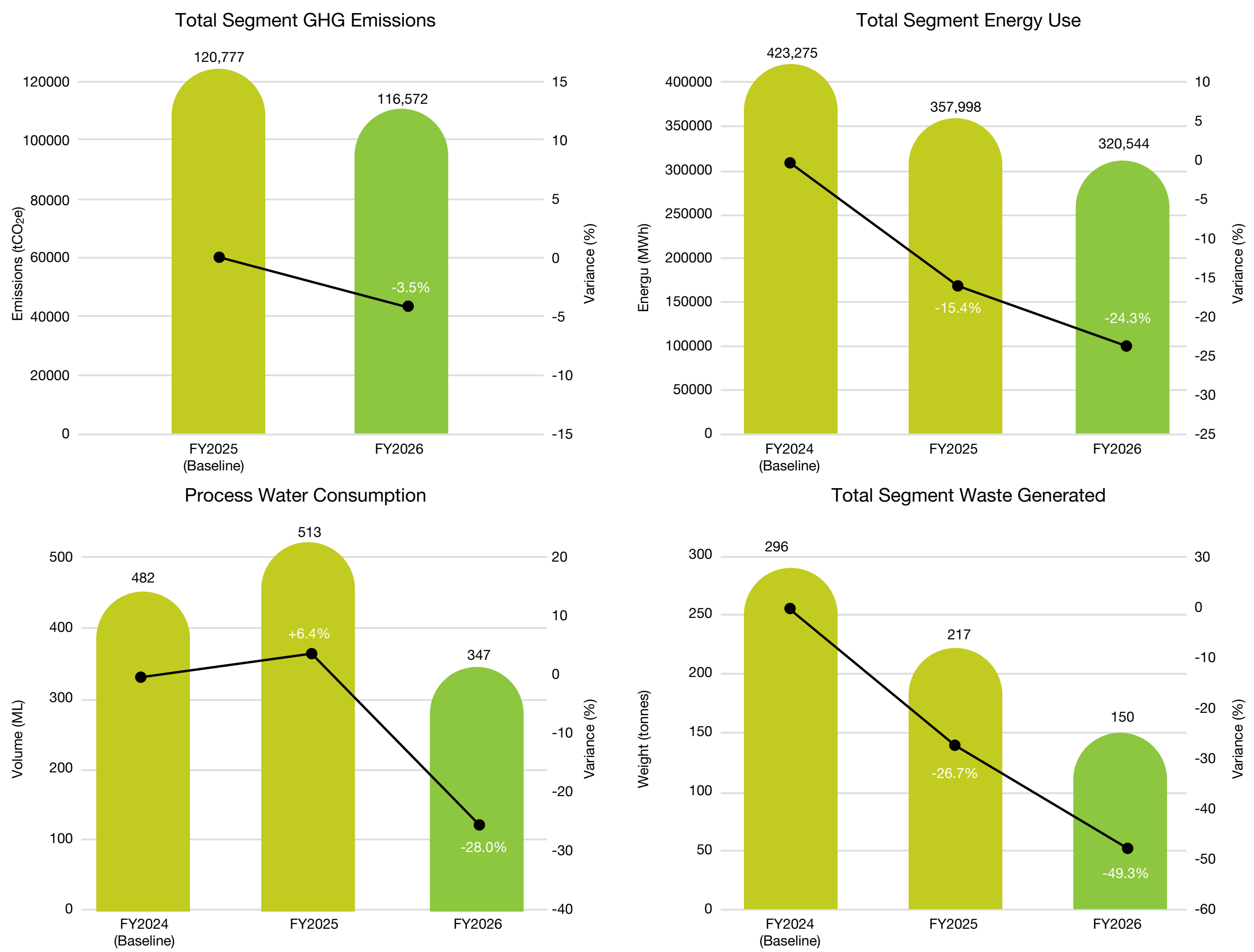
Sustainability Statement (cont'd)

ENVIRONMENTAL (CONT'D)

SEGMENTATION ANALYSIS (CONT'D)

Oleochemical Manufacturing (Cont'd)

Oleochemical Manufacturing Sustainability Performance Profiles with Rolling Trend



ENVIRONMENTAL (CONT'D)

SEGMENTATION ANALYSIS (CONT'D)

Segmental Intensity Ratios

To evaluate the true eco-efficiency of our processing lines independent of annual volumetric commercial output fluctuations, the segment implements sustainability intensity ratios.

To measure the true environmental efficiency of our chemical processing operations independent of annual output shifts, the segment utilises a Carbon Intensity Ratio. This ratio measures total GHG emissions (tCO_2e) against total MT of finished oleochemical production.

The Oleochemical Manufacturing recorded a reduction in overall carbon footprint during FY2026. Total segment GHG emissions decreased by 3.5%, from 120,777 tCO_2e in FY2025 to 116,572 tCO_2e in FY2026, while Scope 2 emissions decreased by 21.4%.

However, production output decreased from 71,760 MT in FY2025 to 42,581 MT in FY2026. As the reduction in production output was proportionately larger than the reduction in emissions, carbon intensity increased during the year when measured against production output.

The segment's performance should therefore be assessed using both absolute emissions and production activity levels. SAI will continue to monitor production output, energy consumption and emissions performance to support more meaningful year-on-year performance tracking.

Based on the operational baseline metrics and production volumes, the carbon intensity ratios are calculated as follows:

Carbon Disclosure & Operational Parameters	Unit	FY2025 Baseline	FY2026 Performance	YoY Variance
Production	**MT**	**71,760**	**42,581**	**-40.7%**
Operational Carbon Footprint Subtotal *(Scope 1 + 2)*	tCO_2e	120,625	116,442	-3.5%
Operational Carbon Intensity *(Scope 1+2 / Production)*	**tCO_2e / *MT***	**1.7**	**2.7**	**+58.8%**
Overall Carbon Footprint *(Scope 1 + 2 + 3)*	tCO_2e	120,777	116,572	-3.5%
Overall Carbon Intensity *(Total Emissions / Production)*	**tCO_2e / *MT***	**1.7**	**2.7**	**+58.8%**

Strategic Context & Data Interpretation

Production Output

The lower production output in FY2026 provides important context for the segment's environmental performance during the year. In line with the reduced level of operations, purchased grid electricity consumption, process water consumption, industrial wastewater treated and operational waste generated all decreased during the year.

Although total GHG emissions also decreased, the reduction was proportionately smaller than the decline in production output. As such, the segment's performance should be assessed using both absolute emissions and production activity levels.

Sustainability Statement (cont'd)

ENVIRONMENTAL (CONT'D)

Strategic Context & Data Interpretation (Cont'd)

Energy Consumption Profile

Oleochemical Manufacturing recorded lower purchased electricity consumption in FY2026, decreasing from 20,939 MWh in FY2025 to 16,455 MWh in FY2026. Several non-renewable energy sources also decreased during the year, including Liquefied Petroleum Gas ("LPG"), biodiesel B7 and Compressed Natural Gas ("CNG"). LPG consumption decreased from 16,828 kg to 12,418 kg, biodiesel B7 consumption decreased from 33,228 litres to 30,610 litres, and CNG consumption decreased from 387,933 Metric Million British Thermal Unit ("MMBtu") to 202,853 MMBtu.

Renewable biomass consumption increased from 40,494 MT in FY2025 to 44,852 MT in FY2026, while pitch oil consumption decreased from 1,477 MT to 1,041 MT. Fuel oil consumption increased from 246,714 litres to 349,023 litres during the same period.

The overall reduction in total energy consumption should be viewed together with the segment's lower production output in FY2026. The changes in energy consumption were largely influenced by lower production output during the reporting year, together with variations in the segment's energy sources. The segment will continue to monitor the segment's energy sources to support better visibility over energy use and future emissions management.

Water and Effluent Minimisation

Process water consumption decreased by 32.3% YoY, from 513 ML in FY2025 to 347 ML in FY2026. Industrial wastewater treated also decreased from 106 ML in FY2025 to 85 ML in FY2026.

The decrease in water consumption and wastewater treated indicates lower recorded water-related activity during the reporting year. The reductions were consistent with the lower level of operational activity during the reporting year. The segment will continue to monitor water consumption and effluent volumes to support responsible water management and improve the consistency of environmental performance tracking.

Waste Diversion Success

Total operational waste generated decreased by 49.3% over the three-year period, from 296 tonnes in FY2024 to 150 tonnes in FY2026. In FY2026, 84 tonnes of waste were diverted from disposal, representing 56.0% of total operational waste generated, while 66 tonnes were directed to disposal.

The reduction in total operational waste generated reflects an improvement in the segment's waste profile over the three-year period. More than half of the segment's FY2026 operational waste was diverted from disposal. The segment will continue to monitor waste generation, waste diversion and disposal practices to support better waste management and waste diversion practices.

ENVIRONMENTAL (CONT'D)

HEALTHCARE SERVICES

The Healthcare Services - focuses its environmental stewardship strategy on continuous energy availability, climate resilience, municipal water conservation, and highly regulated clinical waste management.

The matrix below consolidates all tracked environmental indicators for the Healthcare Services from FY2024 through FY2026, establishing the data baseline for multi-dimensional performance tracking.

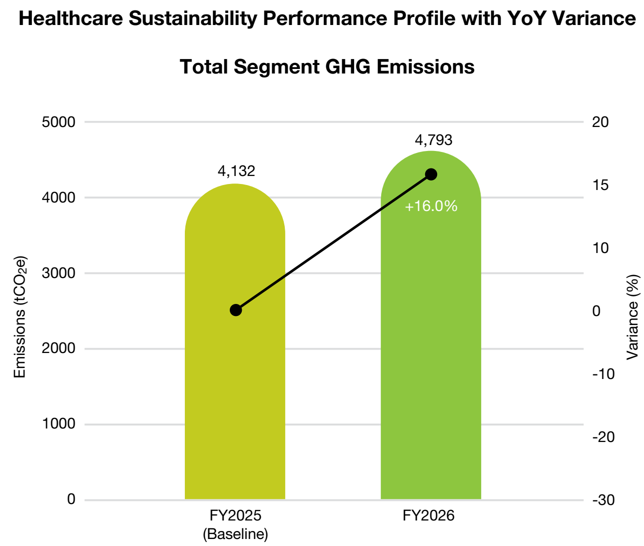
Environmental Pillar	Performance Indicator	Unit	FY2024 Baseline	FY2025 Baseline/ Performance	FY2026 Performance	YoY Variance
Carbon Footprint	Scope 1 (Direct Emissions)	tCO_2e	-	6	8	+33.3%
	Scope 2 (Indirect Emissions)	tCO_2e	-	3,474	4,229	+21.7%
	Scope 3 (Value Chain Emissions)	tCO_2e	-	652	556	-14.7%
	Total Segment GHG Emissions	**tCO_2e**	-	**4,132**	**4,793**	**+16.0%**
Energy Use	Non-Renewable Fuel Consumed	MWh	74	76	79	+4.0%
	Purchased Grid Electricity	MWh	5,414	4,583	5,581	+21.8%
	Total Segment Energy Use	**MWh**	**5,488**	**4,659**	**5,660**	**+21.5%**
Water Consumption	Total Segment Water Consumption	ML	43	43	50	+16.3%
Waste Generated	General Non-Hazardous Waste	Tonnes	-	158	100	-36.7%
	Regulated Clinical / Hazardous Waste	Tonnes	-	74	79	+6.9%
	Total Segment Waste Generated	**Tonnes**	-	**232**	**179**	**-22.8%**

* Note: Carbon tracking and detailed waste inventories were fully formalised at the hospital working-committee level starting in FY2025, explaining the lack of comprehensive baseline data for FY2024.

Sustainability Statement (cont'd)

ENVIRONMENTAL (CONT'D)

HEALTHCARE SERVICES (CONT'D)



Scope 1: Direct Mobile Combustion

The Healthcare Services recorded Scope 1 emissions of 8 tCO_2e in FY2026, compared with 6 tCO_2e in FY2025. Scope 1 emissions remained minimal, representing approximately 0.2% of the segment's total emissions profile. During the reporting year, the reported Scope 1 emissions arising from mobile fuel combustion.

Although Scope 1 emissions increased during the year, the overall contribution remained small relative to the segment's total carbon footprint. The movement reflects fuel consumption associated with operational mobility requirements, including transport-related activities that support hospital operations. The segment will continue to monitor mobile fuel consumption as part of its emissions tracking and environmental management practices.

Scope 2: Energy Indirect (Purchased Electricity)

Purchased electricity remained the largest contributor to the Healthcare Services' emissions profile. Scope 2 emissions increased by 21.7%, from 3,474 tCO_2e in FY2025 to 4,229 tCO_2e in FY2026, representing approximately 88.2% of the segment's total emissions.

The segment's reliance on electricity reflects the nature of hospital operations, which require continuous power supply to support medical equipment, ventilation, cooling systems, lighting, operating theatres, patient care areas and other essential facilities. The increase in Scope 2 emissions corresponds with higher electricity consumption during the year. The segment will continue to monitor electricity usage and maintain focus on operational efficiency where feasible, while ensuring that patient care, safety and service continuity remain the main priorities.

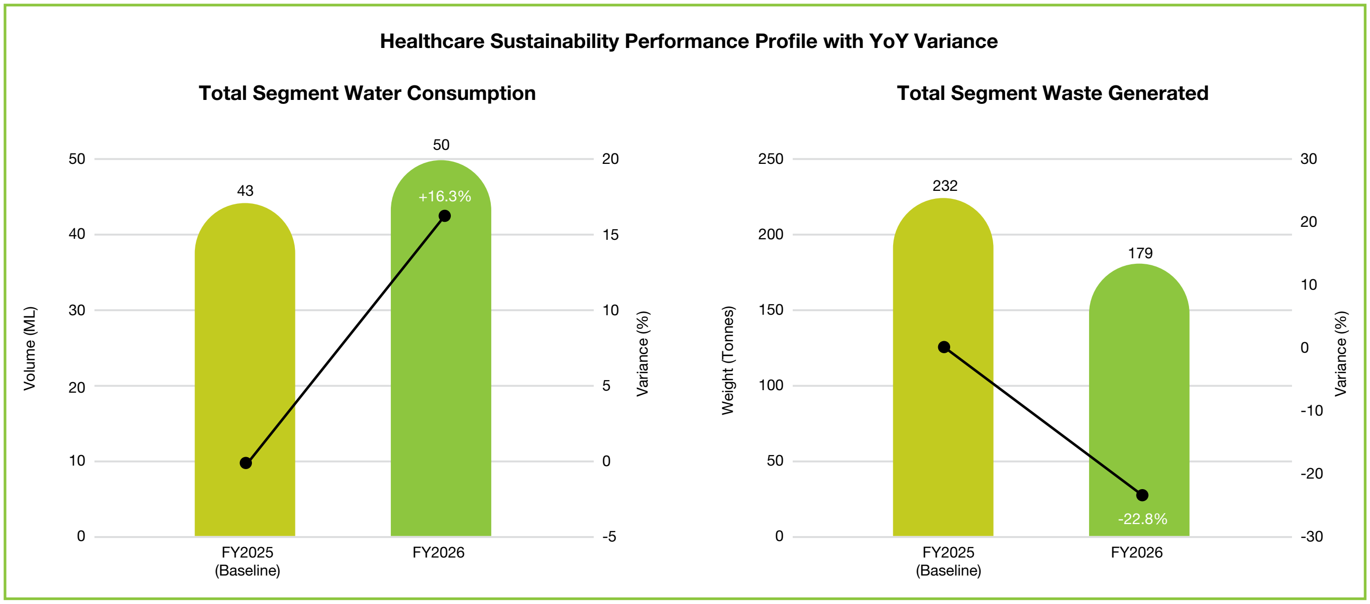
Scope 3: Value Chain Logistics

Scope 3 emissions for the Healthcare Services decreased by 14.7%, from 652 tCO_2e in FY2025 to 556 tCO_2e in FY2026. The disclosed Scope 3 categories comprise employee commuting and business travel.

The reduction was primarily driven by lower employee commuting emissions, which decreased from 649 tCO_2e in FY2025 to 524 tCO_2e in FY2026. Although business travel emissions increased from 3.3 tCO_2e to 32 tCO_2e during the same period, this remained a smaller component of the segment's Scope 3 emissions profile. The segment will continue to strengthen the tracking of selected value chain emissions to support more consistent monitoring of commuting and business travel-related impacts.

ENVIRONMENTAL (CONT'D)

HEALTHCARE SERVICES (CONT'D)



Municipal Water Stewardship

Water consumption for the Healthcare Services increased by 16.3%, from approximately 43 ML in FY2025 to 50 ML in FY2026. Water remains an essential resource for hospital operations, supporting sanitation, sterilisation, clinical cleaning, patient care, laundry, cooling and general facility use.

The increase in water consumption reflects the resource requirements of a healthcare facility with continuous operational needs. The segment will continue to monitor water consumption and promote responsible water use, while maintaining the hygiene, safety and service standards required for hospital operations.

Waste Stream Diversion & Regulated Disposals

The Healthcare Services recorded a 22.8% reduction in total waste generation, from 232 tonnes in FY2025 to 179 tonnes in FY2026. This was mainly supported by the reduction in general non-hazardous waste, which decreased by 36.7% to 100.1 tonnes during the reporting year.

Regulated clinical and hazardous waste increased by 6.9% to 79 tonnes in FY2026. This waste stream includes clinical and healthcare-related waste that must be handled in accordance with applicable regulatory and operational requirements. The increase reflects the importance of maintaining proper segregation, handling and disposal controls for regulated waste generated from healthcare operations.

The segment will continue to monitor both general and regulated waste streams to support responsible waste management, regulatory compliance and safe healthcare operations.

Core Operational Insights

The Healthcare Services emissions profile is mainly driven by purchased electricity. In FY2026, Scope 1 and Scope 2 emissions amounted to 4,236.8 tCO_2e, representing approximately 88.4% of the segment's total emissions. This reflects the continuous electricity requirements of hospital operations, including medical equipment, ventilation, cooling systems, lighting, operating theatres, patient care areas and other essential facilities.

Total GHG emissions increased by 16.0% from 4,132 tCO_2e in FY2025 to 4,793 tCO_2e in FY2026. The increase was mainly driven by higher Scope 2 emissions from purchased electricity, while Scope 3 emissions decreased during the same period.

The segment will continue to monitor electricity consumption, emissions performance and relevant operational indicators to support more meaningful intensity-based disclosures in future reporting periods.

Sustainability Statement (cont'd)

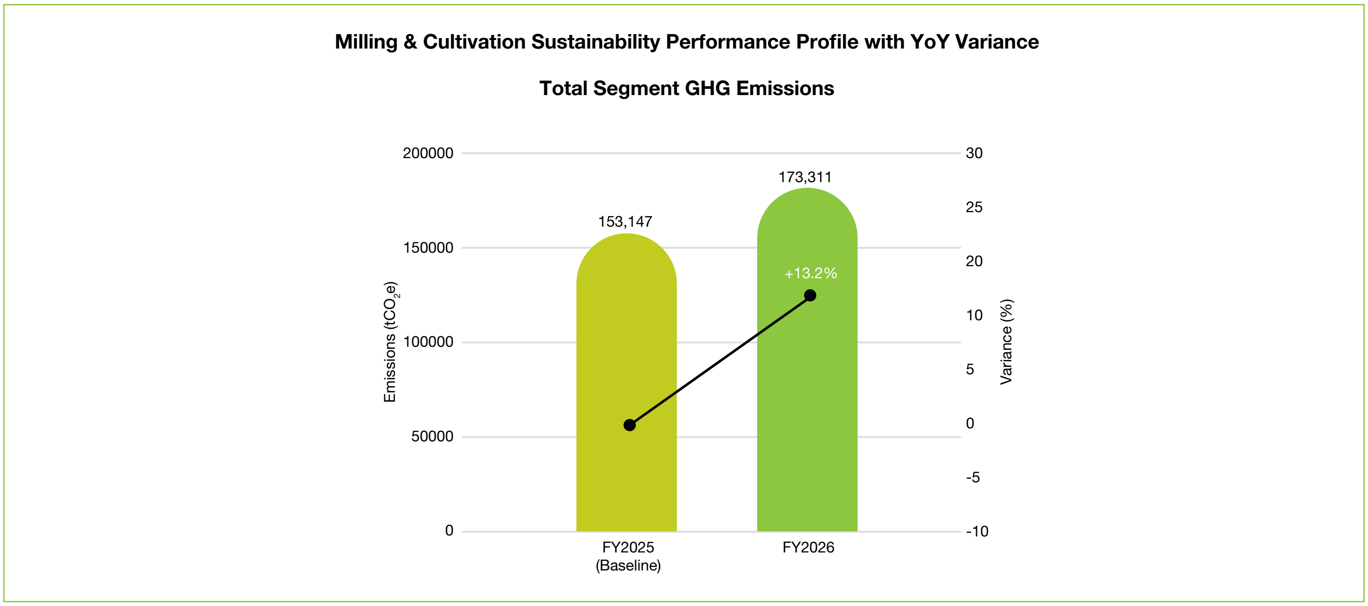
ENVIRONMENTAL (CONT'D)

MILLING & CULTIVATION

This section presents the environmental performance of SAB's upstream agribusiness segment, focusing on operational emissions, value chain emissions and key resource-related indicators. The segment's emissions profile is mainly influenced by estate and milling activities, fuel consumption, purchased electricity and selected value chain activities such as business travel and employee commuting.

Carbon Disclosure and Operational Parameters:

Carbon Disclosure & Operational Parameters	Unit	FY2025 Baseline	FY2026 Performance	YoY Variance
Scope 1 (Direct Emissions)	tCO_2e	153,084	172,776	+12.9%
Scope 2 (Indirect Emissions)	tCO_2e	19	515	+2,612%
Operational Carbon Footprint *(Scope 1 + 2)*	**tCO_2e**	**153,103**	**173,291**	**+13.2%**
Scope 3 (Value Chain Emissions)	**tCO_2e**	**44**	**20**	**-54.5%**
Total Segment GHG Emissions *(Scope 1 + 2 + 3)*	**tCO_2e**	**153,147**	**173,311**	**+13.2%**



Sustainability Statement (cont'd)

ENVIRONMENTAL (CONT'D)

MILLING & CULTIVATION (CONT'D)

Granular Emissions Narrative

Operational Core Scope 1 and Scope 2

The Milling & Cultivation recorded total operational emissions of 173,291 tCO_2e in FY2026, compared with 153,103 tCO_2e in FY2025. This represented a YoY increase of 13.2%. The segment's emissions profile remained largely driven by Scope 1 direct emissions, which increased by 12.9% from 153,084 tCO_2e in FY2025 to 172,776 tCO_2e in FY2026.

Scope 1 emissions formed the dominant portion of the segment's carbon footprint, reflecting the nature of upstream agribusiness and milling operations. These activities typically involve direct fuel use and operational processes associated with estate management, harvesting, transportation, mill operations and related support activities. The increase in Scope 1 emissions reflects higher recorded direct operational emissions during the reporting year.

Scope 2 emissions increased from 19 tCO_2e in FY2025 to 515 tCO_2e in FY2026. Although the percentage increase was significant due to the low FY2025 baseline, Scope 2 emissions remained small compared with Scope 1 emissions. Purchased electricity therefore continued to represent a minor portion of the segment's overall emissions profile.

Value Chain Emissions Scope 3

Scope 3 emissions decreased from 44 tCO_2e in FY2025 to 20 tCO_2e in FY2026, mainly due to reduced business travel during the reporting year. The disclosed Scope 3 emissions for the segment relate to selected value chain activities, including business travel and employee commuting.

While Scope 3 emissions remained relatively small compared with the segment's operational emissions, the reduction contributed to the segment's overall FY2026 emissions movement. The segment will continue to enhance the tracking and management of its selected value chain activities to improve the quality and completeness of data collection.

Overall Emissions Profile

Total GHG emissions for the Milling & Cultivation increased by 13.2%, from 153,147 tCO_2e in FY2025 to 173,311 tCO_2e in FY2026. The increase was mainly attributable to higher Scope 1 emissions, with Scope 2 and Scope 3 emissions also increasing during the year.

This segment's emissions profile demonstrates that direct operational emissions remain the key environmental focus area. SAB will continue to monitor fuel use, operational emissions and value chain emissions within the Milling & Cultivation to support better visibility over emissions performance and future environmental management priorities.

Sustainability Statement (cont'd)

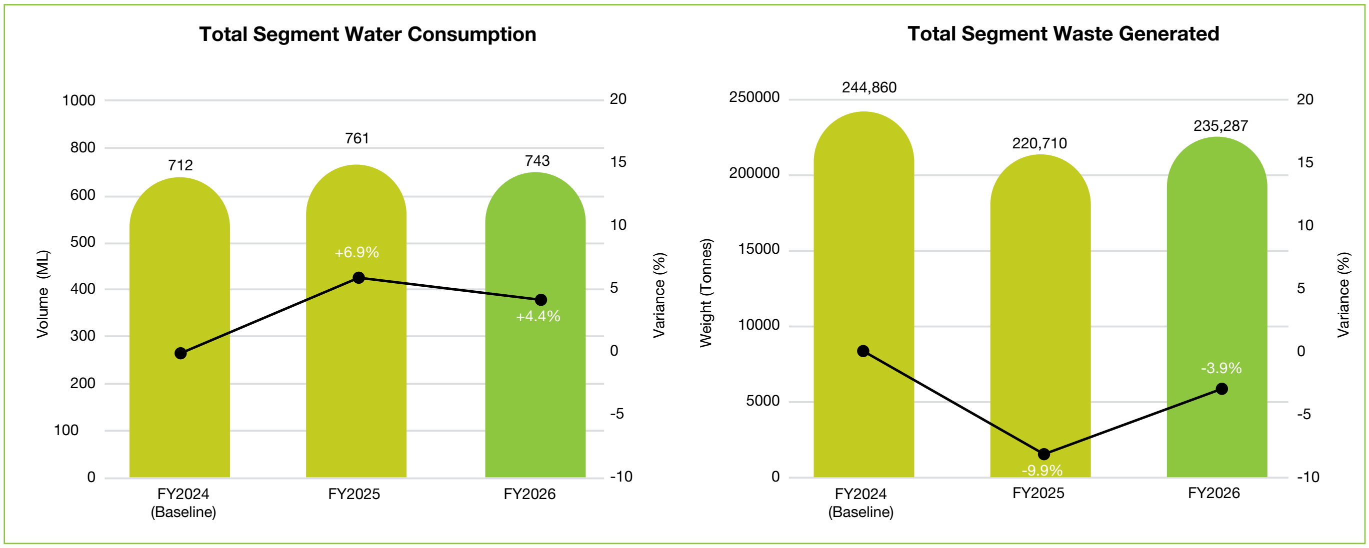
ENVIRONMENTAL (CONT'D)

MILLING & CULTIVATION (CONT'D)

Water Stewardship & Biomass Circularity

The Milling & Cultivation monitors water consumption, biomass-related waste and scheduled hazardous waste as part of its environmental management practices. These indicators are relevant to upstream agribusiness operations, where water use, organic by-products and regulated waste streams require proper monitoring and control.

ISPO Resource Parameter	Unit	FY2024 Baseline	FY2025 Performance	FY2026 Performance	Rolling Trend
Total Segment Water Consumption	ML	712	761	743	+4.4%
Total Segment Waste Generated	Tonnes	244,860	220,710	235,287	-3.9%



Water Resources and Riparian Protection

Agricultural water consumption amounted to 743 ML in FY2026, compared with 761 ML in FY2025 and 712 ML in FY2024. The FY2026 figure represents a decrease from FY2025, although it remained higher than the FY2024 baseline.

Water management remains important to the segment due to the operational requirements of estate and milling activities, as well as the need to manage potential impacts on surrounding water systems. The segment continues to monitor water consumption and maintain operational controls to support responsible water use and environmental compliance.

How We Manage Our Waste and Resources

Biomass By-products and Scheduled Hazardous Waste

In FY2026, the segment recorded 235,287 tonnes of total solid waste and biomass by-products. This reflects the nature of milling and cultivation activities, where organic by-products form a significant part of the waste profile. Scheduled hazardous waste B3 increased slightly from 14 tonnes in FY2025 to 15 tonnes in FY2026. This waste stream may include regulated operational waste generated from estate and milling activities and requires proper handling, storage and disposal in accordance with applicable requirements.

The segment will continue to monitor biomass-related waste and scheduled hazardous waste to support responsible waste management, regulatory compliance and improved environmental performance tracking.

Sustainability Statement (cont'd)

ENVIRONMENTAL (CONT'D)

MILLING & CULTIVATION (CONT'D)

Biodiversity

Our Approach

Biodiversity is a material matter for SAB, particularly within the Milling & Cultivation due to its oil palm cultivation and land-based operations. The Company recognises that responsible land management, ecosystem protection and environmental compliance are important in minimising potential impacts on surrounding natural habitats and supporting the long-term sustainability of its cultivation operations.

SAB's approach to biodiversity is supported by its compliance with relevant sustainability certification requirements, including MSPO and ISPO standards. These standards provide a structured framework for managing cultivation operations, including environmental protection, responsible land use, waste management, water stewardship and biodiversity-related controls.

Within its Milling & Cultivation operations, SAB continues to focus on responsible cultivation practices, including the monitoring of High Conservation Value ("HCV") areas, protection of riparian buffer zones, and implementation of estate management practices that reduce potential impacts on surrounding ecosystems. These efforts are complemented by responsible waste and water management practices, which help minimise pollution risks and support the protection of nearby land and water systems.

For the Oleochemical Manufacturing segment, biodiversity-related impacts are managed indirectly through environmental controls over emissions, waste, effluents and responsible sourcing practices. For Healthcare Services, biodiversity considerations are less directly linked to core operations but are supported through green space management and general environmental awareness within the hospital environment.

Our Performance and Progress

Within the Milling & Cultivation, SAB continues to uphold applicable sustainability requirements under the ISPO framework for its Indonesian operations. The segment maintains HCV-related monitoring as part of its responsible cultivation practices, including the protection of identified conservation areas and surrounding ecological features within the oil palm landscape.

Based on available biodiversity monitoring information, PTWan maintains approximately 77.7 hectares of HCV areas, including riparian buffer zones along the Kuning River and Jake River tributary. Monitoring activities have also identified various conservation-significant species within the oil palm landscape, including species listed under the Convention on International Trade in Endangered Species of Wild Fauna and Flora and the International Union for Conservation of Nature Red List.

SAB also recognises the importance of continued awareness and monitoring in supporting biodiversity protection. The Company will continue to maintain responsible cultivation practices, support compliance with applicable certification requirements and improve biodiversity-related data collection where practicable. These efforts support SAB's broader environmental stewardship and its commitment to managing biodiversity-related matters responsibly.

Sustainability Statement (cont'd)

SOCIAL

SAB's social responsibility is centred on safeguarding the wellbeing of its employees, customers, patients, surrounding communities and other stakeholders. In FY2026, the Company continued to prioritise occupational health and safety, employee development, fair employment practices, human rights, customer and patient care, and community contribution. As our three segments operate in different sectors and jurisdictions, these commitments are given effect and independently verified through different mechanisms. In Milling & Cultivation, our social practices are audited under the MSPO and ISPO; in Healthcare Services, under MSQH hospital accreditation; and in Oleochemical Manufacturing, through an integrated framework of ISO management systems, supply-chain certification and collective bargaining. The sections below set out our commitments, the segment-specific assurance behind them, and our consolidated performance for FY2026.

Employee Management and Development

Our Approach

SAB recognises employee management and development as an important foundation for operational resilience, service quality and long-term business sustainability. As the Company operates across oleochemical manufacturing, milling and cultivation, and healthcare services, its workforce plays a critical role in supporting safe operations, consistent service delivery and effective business continuity across its core segments.

Across its palm oil-related operations, responsible workforce management is further supported by RSPO, MSPO and ISPO standards, which encourage training, competency development, fair labour practices and compliance with employment requirements. These expectations align with SAB's efforts to develop employee competency, support workforce stability and strengthen responsible labour practices across relevant operations.

Remuneration and Employee Welfare

SAB remains committed to providing a fair and supportive working environment through structured employment practices, competitive remuneration and employee welfare support. This commitment is reflected in the benefits provided to employees, including medical insurance and personal accident coverage, which help support their long-term wellbeing and overall quality of life.

In addition to these core benefits, performance-based incentives such as salaries increment and bonuses, where applicable, are provided to recognise employee contribution and encourage continued performance. Together, these remuneration and welfare measures support the Company's ability to attract, retain and motivate employees, while strengthening workforce stability across its operations.

Workforce Planning and Retention

SAB continues to monitor workforce composition, new hires and employee turnover to better understand workforce trends and support manpower planning. These insights help the Company assess talent needs, strengthen retention efforts and ensure that workforce management practices remain aligned with operational requirements and long-term business priorities.

Diversity, Equity and Inclusion

SAB acknowledges the importance of diversity, equity and inclusion in building a resilient and engaged workforce. With operations in Malaysia and Indonesia, the Company values workforce diversity and strives to promote an inclusive environment where employees are treated fairly regardless of background, nationality or identity. By encouraging fair treatment and equal opportunity, SAB aims to empower employees to contribute meaningfully to the organisation.

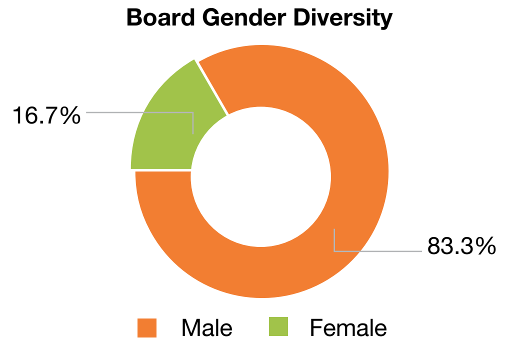
SOCIAL (CONT'D)

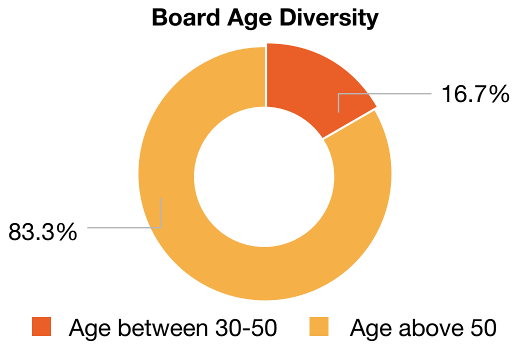
Employee Management and Development (Cont'd)

Our Performance and Progress

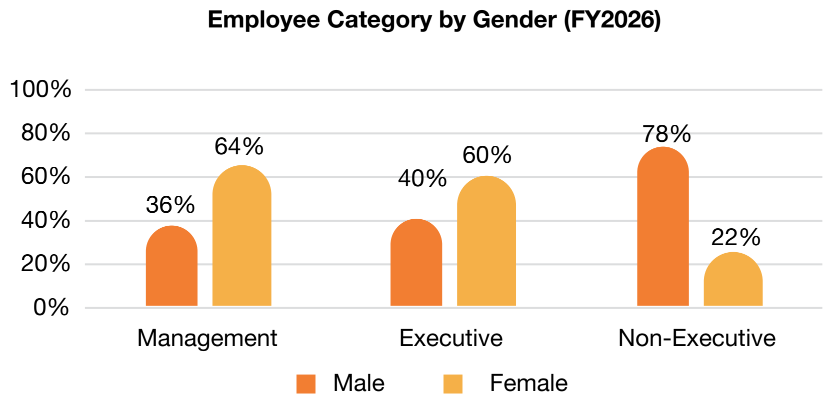
Board Diversity

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:





Employee Diversity



Employee Category	FY2024		FY2025		FY2026	
	Male	Female	Male	Female	Male	Female
Management	40%	60%	39%	61%	36%	64%
Executive	38%	62%	38%	62%	40%	60%
Non-Executive	78%	22%	79%	21%	78%	22%

The Company monitors workforce diversity across employee categories to support fair employment practices and workforce planning. In FY2026, the overall workforce composition remained consistent with the previous year, with 72% male employees and 28% female employees. This reflects the operational nature of the Company's business segments, particularly within Milling & Cultivation and other operational functions where male representation remains higher.

Sustainability Statement (cont'd)

SOCIAL (CONT'D)

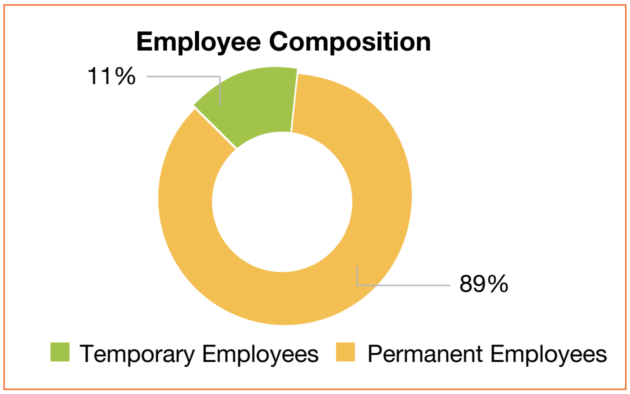
Employee Management and Development (Cont'd)

Our Performance and Progress (Cont'd)

Employee Diversity (Cont'd)

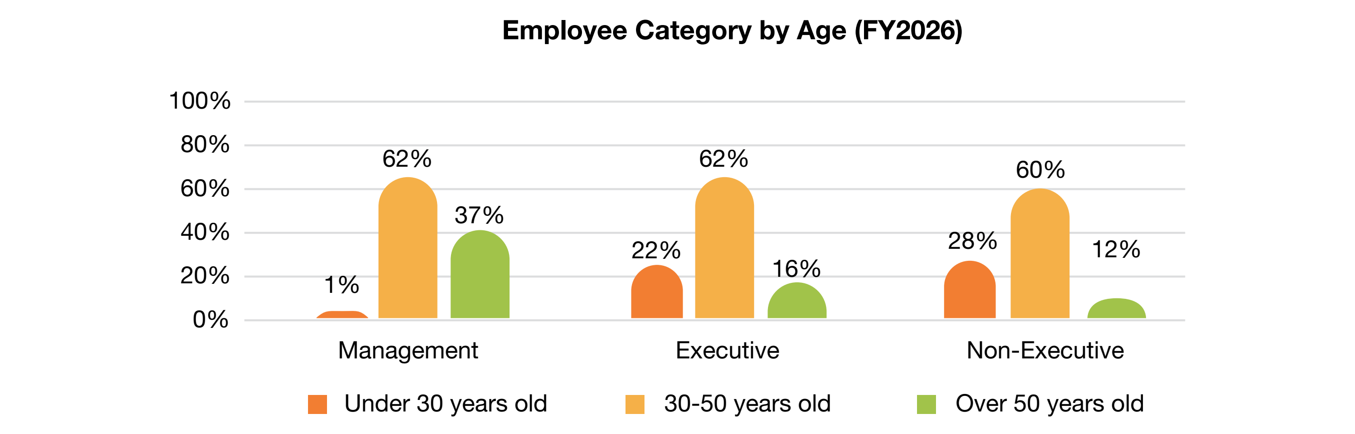
In addition, our workforce comprises 89% permanent employees and 11% temporary employees.

Overall, the Company continues to support equal opportunity and fair employment practices across its workforce. While gender composition differs across employee categories due to operational requirements, the Company remains committed to promoting an inclusive workplace where employees are treated fairly and provided with opportunities to contribute meaningfully.



Age Diversity

SAB monitors age diversity across employee categories to support workforce planning, succession management and long-term talent sustainability. In FY2026, employees aged 30 to 50 continued to form the majority across all employee categories, reflecting a stable and experienced workforce base.



Employee Category	FY2024			FY2025			FY2026		
	Age Group (Years Old)			Age Group (Years Old)			Age Group (Years Old)		
	< 30	30–50	> 50	< 30	30–50	> 50	< 30	30–50	> 50
Management	1%	58%	41%	1%	63%	36%	1%	62%	37%
Executive	20%	67%	13%	20%	69%	11%	22%	62%	16%
Non-Executive	26%	63%	11%	31%	59%	10%	28%	60%	12%

Overall, SAB's age profile reflects a balanced workforce structure, with a strong mid-career employee base supported by both younger and senior employees. This diversity in age and experience helps the Company maintain institutional knowledge, support knowledge transfer and build a sustainable talent pipeline.

SOCIAL (CONT'D)

Employee Management and Development (Cont'd)

Our Performance and Progress (Cont'd)

Employee Turnover and New Hires

In FY2026, the Company recorded 244 employee turnover cases, comprising 10 Management, 34 Executive and 200 Non-Executive employees. Turnover remained concentrated within the Non-Executive category, which is consistent with the operational nature of the Company's workforce and the manpower requirements across its business segments.

Employee Turnover by Employee Category

Year	Management	Executive	Non-Executive	Total
FY2024	9	22	137	168
FY2025	14	41	183	238
FY2026	10	34	200	244

Employee Turnover by Gender

By gender, male turnover increased to 158 employees in FY2026, while female turnover decreased to 86 employees. This trend is broadly aligned with the Company's overall workforce composition, where male employees represent a larger proportion of operational and site-based roles.

Year	Male	Female	Total
FY2024	76	92	168
FY2025	133	105	238
FY2026	158	86	244

In the same year, SAB recorded 205 new hires, mainly to support business needs and replace manpower gaps arising from employee turnover. Monitoring both turnover and new hires enables SAB to assess workforce movement, maintain operational continuity and support manpower planning across its business segments.

Human Rights

SAB is committed to maintaining a workplace that respects human rights, promotes fair labour practices and protects employees from discrimination, harassment and workplace violence. This commitment is supported by the Company's Labour and Human Rights Policy, which guides SAB in upholding responsible employment practices across its operations.

To ensure that labour practices remain aligned with local requirements and employee expectations, the Company continues to review its approach to human rights and workplace conduct. In Milling & Cultivation, employee welfare and labour-related matters are further supported through the Collateral Agreement represented by the Workers Union and endorsed by Dinas Tenaga Kerja. Similarly, in Oleochemical Manufacturing, Union employees are protected under the Collective Agreement between the Chemical Workers Union of Malaya and SAI.

Through these policies and agreements, SAB is able to strengthen employee trust, reduce labour-related risks and maintain a fair, safe and respectful workplace across its business segments.

Sustainability Statement (cont'd)

SOCIAL (CONT'D)

Human Rights (Cont'd)

Milling & Cultivation

SAB's Milling & Cultivation operations are certified under the MSPO and ISPO schemes. In Indonesia, ISPO certification is mandated by law for all oil palm cultivation companies, making continued certification both a legal-compliance and a market-access matter for the segment; the same role is played by MSPO in Malaysia. These certifications are material to SAB because these schemes independently verify the social controls underpinning our commitments. Under MSPO Principle 4 ("Responsible to Social, Health, Safety and Employment"), our operations are audited against a defined set of social requirements: a Social Impact Assessment conducted with affected parties and periodically reviewed; a communicated and implemented occupational safety and health policy; employment conditions that ensure all work is voluntary and free of forced or trafficked labour, with no retaliation against whistle-blowers or human rights defenders, in line with the International Labour Organisation ("ILO") Decent Work Agenda; and decent living conditions, including housing and clean domestic water for workers and their families. Worker accommodation is maintained to the standards of the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990.

The ISPO scheme additionally verifies worker welfare, training and community responsibility under Indonesian labour law and reinforced by Indonesia's ratification of the ILO core conventions. Labour relations in this segment are further formalised through the Collateral Agreement, providing a formal platform for addressing workers' rights, employment conditions and labour relations matters.

Oleochemical Manufacturing

The Oleochemical Manufacturing operates under an integrated framework of internationally recognised management systems rather than the grower-level palm certification schemes. Occupational safety and health is managed under an ISO 45001 system, and the segment holds RSPO and MSPO Supply Chain Certification, providing audited traceability over certified palm-based feedstock. Within this framework, the segment's labour protections rest on direct collective bargaining and statutory compliance: union employees are protected under the Collective Agreement, which supports fair wages, benefits and employment terms and promotes constructive labour relations. These protections are reinforced by the segment's process-safety regime, which safeguards workers against the loss-of-containment and major-accident hazards inherent to chemical processing.

Healthcare Services

At Sri Kota, responsible workforce and patient practice is anchored on MSQH hospital accreditation. Under MSQH, patient safety operates as a non-negotiable gate, and the accreditation independently assesses our Patients and Family Rights standards, the confidential handling of patient and staff information, and the appointment, credentialing and continuous development of our clinical workforce. These requirements embed human-rights and quality safeguards directly into day-to-day care.

Our Performance and Progress

In FY2026, SAB recorded zero substantiated complaints concerning human rights violations. This reflects the Company's continued efforts to uphold fair employment practices, maintain appropriate grievance channels and promote respectful workplace conduct.

SOCIAL (CONT'D)

Health and Safety

Our Approach

Health and safety are fundamental to maintaining reliable operations and protecting the wellbeing of employees, contractors, patients and other stakeholders. Given the Company's diverse business operations, safety risks may arise from different work environments, including manufacturing processes, milling and cultivation activities, healthcare facilities, the use of machinery and chemicals, and other site-based operations.

For Healthcare Services, Sri Kota manages health and safety through its internal Health, Safety and Environment ("HSE") Policy and HSE Committee structure, which supports compliance with applicable occupational safety and health requirements while safeguarding employees, patients, contractors and visitors. The HSE Committee is structured into Operational and Clinical divisions to address both workplace and patient-facing risks, covering areas such as facility safety, emergency preparedness, clinical governance and safe healthcare delivery. This structure strengthens risk monitoring, supports the implementation of safety initiatives and reinforces Sri Kota's commitment to maintaining a safe environment while delivering quality healthcare services.

Within Oleochemical Manufacturing, the segment recognises that handling and processing chemicals presents process-safety risks distinct from general workplace safety, including loss of containment and major-accident hazards. Therefore, this segment is guided by its Safety and Health Policy, which commits to maintaining an effective Occupational Safety and Health Management System ("OSHMS") and providing the necessary resources to create a safe and healthy working environment for employees. This commitment is supported by compliance with applicable safety and health laws, regulations and other requirements, as well as the periodic review and continual improvement of the OSHMS. The segment also focuses on preventing accidental injury and ill health, eliminating and reducing safety and health hazards and risks, and maintaining consultation and participation among all levels of workers.

Within Milling & Cultivation, the segment's health and safety approach is further supported by MSPO and ISPO requirements. MSPO includes guidance on employee safety and health, including adequate training, safe workplace practices, appropriate personal protective equipment, safe machinery and safe handling of chemicals and other substances. This is relevant to cultivation and milling activities, where employees may be exposed to operational risks from machinery, fieldwork, mill operations and chemical handling. ISPO alignment further supports compliance with applicable safety and labour requirements in Indonesia, strengthening the segment's ability to manage workplace risks in line with local regulatory expectations.

To manage these risks, the Company adopts a preventive approach through hazard identification, workplace inspections, safety briefings, emergency preparedness and compliance with applicable occupational safety and health requirements. These measures help the Company identify potential hazards early, strengthen operational controls and reduce the likelihood of workplace incidents.

This approach is supported by regular health and safety training, which equips employees with the knowledge to understand workplace risks, follow safety procedures and respond appropriately during emergencies. By improving employee awareness and safety competency, the Company is able to strengthen day-to-day operational discipline and promote safer working behaviour across its business segments.

The Company monitors safety performance through key indicators such as fatalities, Lost Time Incident Rate ("LTIR") and the number of employees trained on health and safety. These indicators allow the Company to assess the effectiveness of its safety practices, identify areas that require further improvement and guide future preventive actions. Through this continuous monitoring and improvement process, the Company aims to build a stronger safety culture and support long-term operational resilience.

Our Performance and Progress

SAB proudly reports that no fatalities were recorded across its operations in FY2026. This reflects the Company's continued focus on maintaining a safe working environment and strengthening health and safety awareness across its business segments.

In FY2026, SAB and its subsidiaries provided health and safety training to 623 employees across SAB's three core segments. These training programmes support employees in understanding workplace hazards, complying with safety procedures and responding more effectively to operational risks.

Sustainability Statement (cont'd)

SOCIAL (CONT'D)

Health and Safety (Cont'd)

Our Performance and Progress (Cont'd)

Indicator	FY2024	FY2025	FY2026
Employees trained on health and safety	636	590	623

For Oleochemical Manufacturing, the programmes covered key areas such as HIRARC, fire-fighting, forklift operation, ISO 45001 awareness, AED and CPR training, reflecting the segment's focus on managing both general workplace safety and process-related operational risks. These trainings support the segment's preventive safety approach by equipping employees with practical knowledge to identify workplace hazards, respond to emergencies and operate safely in higher-risk work environments.

For Healthcare Services, Sri Kota conducted training in areas such as Basic Life Support, Advanced Cardiovascular Life Support, infection prevention and control, medication safety, fall prevention, blood transfusion safety, hospital waste management, sharp injury prevention, fire safety, HSE awareness, radiation protection and medical device safety, reinforcing both workplace safety and safe healthcare delivery.

Under the Milling & Cultivation, PTWan and PTMAS conducted occupational safety and health training covering Electrical Safety and Health Training, Diesel Engine Operator Safety Training, Steam Turbine Operator Safety Training, Technical Personnel Training for Biomass Power Generation, and Occupational First Aid Training, including new certification and renewal where applicable. Collectively, these programmes equip employees with practical knowledge to identify safety risks, respond to emergencies and manage segment-specific operational hazards more effectively.

In FY2026, the Company recorded an LTIR of 0.36. The Company continues to monitor safety performance as part of its efforts to identify risk areas, strengthen preventive measures and improve workplace safety practices. Moving forward, SAB will continue to reinforce health and safety training, incident prevention and compliance with applicable occupational safety and health requirements.

Year	Lost Time Incident Rate	Fatalities
FY2024	0.63	0
FY2025	0.30	0
FY2026	0.36	0

SOCIAL (CONT'D)

Learning and Development

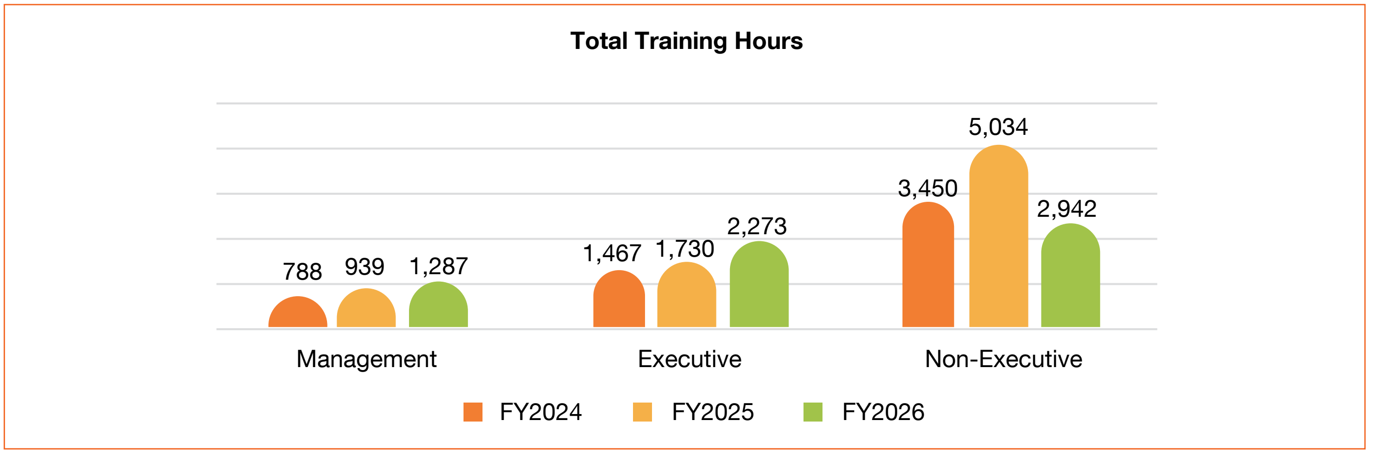
Learning and development remain a key part of the SAB's workforce strategy. Through training programmes, the Company seeks to strengthen employees' technical competencies, compliance awareness, safety knowledge and service capabilities.

These programmed are important not only for employee growth, but also for improving productivity, reducing operational risks and supporting the Company's ability to meet regulatory, customer and patient expectations.

Our Performance and Progress

In FY2026, the Company recorded a total of 6,502 training hours, compared with 7,703 hours in FY2025 and 5,705 hours in FY2024. Although total training hours decreased from the previous year, the overall performance remained higher than in FY2024, reflecting the Company's continued investment in workforce capability and operational readiness.

Training hours for Management and Executive employees increased in FY2026, indicating a stronger focus on leadership, technical competency and role-specific development. Meanwhile, training hours for Non-Executive employees decreased compared with FY2025, which may reflect changes in operational training schedules, business needs or training availability during the year.



Employee Category	FY2024 Hour	FY2025 Hour	FY2026 Hour
Management	788	939	1,287
Executive	1,467	1,730	2,273
Non-Executive	3,450	5,034	2,942
Total	**5,705**	**7,703**	**6,502**

Sustainability Statement (cont'd)

SOCIAL (CONT'D)

Our Performance and Progress (Cont'd)

The table below summarises the key general training conducted for Oleochemical Manufacturing and Healthcare Services in FY2026. These programmes supported employee competency, compliance, service quality and professional development. Health and safety training is disclosed separately.

Segment	Training Category	Training Programmes
Oleochemical Manufacturing	Management and Supervisory Training	• Managing Difficult Employees
	Compliance and Employment Law Training	• Payroll Calculation and Compliance under Malaysia Employment Laws
	Quality and Food Safety Training	• New MS 1480:2025 HACCP Awareness • FSSC 22000 Food Safety Awareness • GMP / GMP+ / Housekeeping and Packing Quality Awareness • Allergen Awareness / Food Handler / Personal Hygiene Training
	Halal Compliance Training	• Halal Executive Training
	Sustainability and Environmental Training	• ISO 50001:2018 Internal Auditor • MSPO GHG Calculator Briefing • Basic MSPO Social Impact Assessment
Healthcare Services	Customer Service and Patient Care Training	• Customer Service Training • Patient and Family Rights
	Quality Improvement and Governance Training	• Corrective and Preventive Action ("CAPA")
	Clinical and Medical Professional Development	• BFHI / Breastfeeding / Lactation Management Training • Clinical and Medical Professional Development Programmes
	Professional Development and Workplace Effectiveness	• Documentation and Clinical Coding Training • Leadership and Excellence Training • Conferences, Seminars and Site Visits • New Employee Orientation
Milling & Cultivation	Sustainability, Environmental and Certification Training	• HCV Training • SIA Training • Hazardous and Toxic Waste Storage Management Training ("PPLB3") • Water Sampling Officer Training • ISPO Auditor Refresher Training

The Company views training as an important enabler of employee productivity, compliance awareness, service quality and workplace safety. The Company will continue to review training needs across employee categories to ensure that learning programmes remain aligned with operational requirements, employee development priorities and long-term business resilience.

Sustainability Statement (cont'd)

SOCIAL (CONT'D)

Employee Engagement

SAB views employee engagement as an important part of building a connected and motivated workforce. Beyond formal communication channels, employee engagement initiatives help strengthen workplace relationships, encourage cross-department interaction and create a stronger sense of belonging among employees.

By promoting cultural appreciation and inclusiveness, the Company aims to create a positive and supportive working environment. This supports employee morale, strengthens social cohesion and contributes to a more engaged workforce, which is important for long-term workforce stability and operational resilience.

Our Performance and Progress

In FY2026, SAB promoted employee engagement across its segments through festive celebrations and employee activities that brought employees together beyond their daily work responsibilities. These initiatives served as informal engagement platforms, allowing employees from different functions and backgrounds to interact, build rapport and strengthen workplace relationships.

Major national festivals, including Chinese New Year, Hari Raya Aidilfitri, Deepavali and Christmas, were celebrated with employees through festive luncheon events. By celebrating these occasions together, SAB encouraged cultural appreciation and mutual respect across its diverse workforce, helping employees feel more included and connected within the organisation.

This sense of connection supports a more positive workplace culture, as employees are able to engage with one another in a setting that promotes inclusiveness and shared understanding. Through these activities, SAB strengthened employee morale, social cohesion and belonging, contributing to a more supportive and engaged working environment across its segments.

Sustainability Statement (cont'd)

SOCIAL (CONT'D)

Community Development and Relations

Our Approach

SAB views community development as an important part of maintaining meaningful relationships with the communities where it operates. Through its CSR programmes, the Company supports initiatives that address local needs while reinforcing its role as a responsible corporate citizen.

These programmes also create opportunities for employees to contribute to positive social impact beyond their daily roles. By participating in community initiatives, employees are able to strengthen their sense of purpose, deepen their connection with the Company's values and contribute to a more engaged workplace culture.

Our Performance and Progress

In FY2026, SAB continued to contribute to local communities through CSR activities across four key areas, namely public health awareness campaigns, sponsorships, engagement and development of rural communities, and education. These initiatives reflect the Company's commitment to supporting community wellbeing while strengthening relationships with the communities surrounding its operations.

Category	Community Outreach and Development Programmes
Public health awareness campaigns	• Blood donation campaigns • Health campaigns and health talks • Sihat Fest 2025 • Health screening and counselling • Mammogram and HPV DNA screening • Organ donation drive
Sponsorship	• Annual Charity Golf Tournament 2025 with Make-A-Wish Malaysia • Donation to Make-A-Wish Malaysia • Klang Royal City Marathon 2025 • Walkathon and fundraising support for autism children • Sponsorship for elderly community programmes • Sponsorship for sports, school and community events
Engagement and development of rural communities	• Community gotong-royong support • Gotong-royong, drainage improvement and road maintenance • Infrastructure support, including volleyball court material assistance • Bubur Lambuk distribution to the orphanage and frontliners • Qurban contribution for local communities • Festive gift distributions to inpatients • Donation of Malaysian flags for Merdeka Day • Financial contribution for local community events
Education	• Factory visits for school students and Poly-Tech MARA students • Educational exposure on industrial operations and supply chain management • Welcome to School Programme • School assistance for orphaned children • Educational assistance for local community children

During FY2026, the Company invested RM340,519 in Malaysia and RM372,459 in Indonesia, reaching a total of 38,316 beneficiaries. The higher community investment in Indonesia was mainly channelled towards rural community engagement and development initiatives, reflecting the needs of communities located near the Company's Milling & Cultivation operations. Beyond financial contribution, these programmes support SAB in building long-term trust with local communities, improving access to health and education-related support, and maintaining positive stakeholder relations.

Indicator	FY2024	FY2025	FY2026
Total CSR Investment (RM)	1,063,309	1,076,218	712,978
Total Beneficiaries	33,635	40,894	38,316

SOCIAL (CONT'D)

Oleochemical Manufacturing CSR Activities

In FY2026, Oleochemical Manufacturing carried out several CSR activities focusing on educational support and community welfare. These initiatives were mainly directed towards students and local communities surrounding the Kapar area, reflecting the segment's effort to maintain meaningful community engagement and contribute to local social wellbeing.

Educational support formed a key area of contribution during the year. The segment hosted factory visits for students from Sekolah Menengah Kebangsaan Tengku Idris Shah, Kapar, and Poly-Tech MARA, providing exposure to industrial operations, supply chain management and workplace practices. These visits supported student learning beyond the classroom and helped strengthen awareness of the oleochemical industry among younger stakeholders.

Community welfare initiatives were also undertaken to support local residents and community groups. These included the donation of 700 Malaysian flags for Merdeka Day, financial contribution for community events in Kampung Batu 12, Kapar, and school assistance for 50 orphaned children in Kampung Kapar. Through these initiatives, Oleochemical Manufacturing strengthened its relationship with surrounding communities while contributing to education, community spirit and social support.

Sustainability Statement (cont'd)

SOCIAL (CONT'D)

Community Development and Relations (cont'd)

Healthcare Services CSR Activities

In FY2026, Sri Kota carried out a range of CSR initiatives focused on health awareness, community sponsorships, donations and festive patient engagement. These initiatives reflect Sri Kota's role as a community-based healthcare provider and support its efforts to promote public health, strengthen community relationships and contribute to social wellbeing.

Health-related initiatives formed an important part of Sri Kota's CSR efforts during the year. These included blood donation drives, health campaigns and health talks conducted in collaboration with external organisations and community partners. Through these programmes, Sri Kota helped raise health awareness, encourage preventive care and improve community access to basic healthcare engagement outside the hospital setting.

Sri Kota also supported various community sponsorships, including programmes for autism children, elderly communities, sports events, school assistance, festive gatherings and community-based activities. These sponsorships enabled the hospital to contribute to broader social needs beyond healthcare, particularly in areas involving vulnerable groups, education, public participation and community development.

Make-A-Wish Golf Tournament

Sri Kota partnered with Make-A-Wish Malaysia to support the Annual Charity Golf Tournament 2025 at Tropicana Golf & Country Resort. In addition, Sri Kota make a donation for further support Make-A-Wish Malaysia's mission of bringing hope, strength and joy to children and families facing critical health challenges.

SOCIAL (CONT'D)

Community Development and Relations (cont'd)

Healthcare Services CSR Activities (cont'd)

Sihat Fest

Sri Kota organised Sihat Fest at Taman Rakyat, Klang, as part of its health awareness outreach initiative. The event featured health screening and counselling, mammogram and HPV DNA (Human Papillomavirus Deoxyribonucleic Acid) screening, an organ donation drive, consultation with a specialist doctor, as well as fun family-friendly activities.

Through this initiative, Sri Kota promoted preventive healthcare, encouraged healthier lifestyle habits and strengthened community engagement by making health education and basic screening more accessible to the public.

Klang Marathon

Sri Kota sponsored the Klang Royal City Marathon 2025 as part of its commitment to promoting community health and wellbeing. On race day, Sri Kota set up a dedicated booth to provide complimentary health checks for runners, supporting participants in monitoring their wellbeing while encouraging healthier and more active lifestyles.

Sustainability Statement (cont'd)

SOCIAL (CONT'D)

Community Development and Relations (cont'd)

Healthcare Services CSR Activities (cont'd)

Festival Celebration

In addition, Sri Kota extended support through donations and festive contributions, including donations to charitable organisations and festive gift distributions to inpatients during Chinese New Year, Hari Raya and Deepavali. For instance, Sri Kota carried out a Ramadan outreach initiative through the distribution of *Bubur Lambuk* to *Pertubuhan Rumah Anak Yatim Dan Asnaf Kampung Sijangkang*. The visit also included a cash contribution and *duit raya* for the children, providing support and festive cheer during the Ramadan and Hari Raya period.

Bubur Lambuk was also distributed to hospital frontliners, police stations and fire stations. This initiative reflects Sri Kota's appreciation for frontline service while reinforcing its commitment to supporting the community during meaningful festive occasions.

SOCIAL (CONT'D)

Community Development and Relations (cont'd)

Milling & Cultivation CSR Activities

Community *Gotong-Royong* Support

PTMAS supported local community *gotong-royong* activities through the provision of backhoe loader assistance for village cleaning, as well as support for bund construction and drain cleaning in Desa Tanjung Pauh. These initiatives helped improve the efficiency of community-led cleaning and maintenance works, while supporting better drainage flow, flood mitigation and overall cleanliness in the village environment.

Through this support, PTMAS strengthened its relationship with surrounding communities and contributed to local infrastructure upkeep and environmental wellbeing.

Community Infrastructure Development

PTMAS supported local infrastructure development through contributions for community facilities and village road maintenance. The initiatives included funding for materials to construct a new volleyball court, as well as assistance for the repair and maintenance of the Desa Tanjung Pauh ring road.

These contributions support community wellbeing by improving access to recreational facilities, enhancing village connectivity and maintaining basic infrastructure used by local residents.

Sustainability Statement (cont'd)

SOCIAL (CONT'D)

Community Development and Relations (cont'd)

Milling & Cultivation CSR Activities

Sponsorship for Qurban Contribution

PTMAS supported the local communities of Desa Tanjung Pauh and Mustari through a cattle contribution for the 2025 Qurban programme. This sponsorship formed part of PTMAS' community welfare initiatives, supporting local religious and cultural practices while strengthening relationships with surrounding communities.

Moving Forward

Our Social pillar is guided by the link between employee wellbeing, workplace safety, fair labour practices and community relationships. A safe, respectful and capable workforce supports operational stability, while responsible labour practices — independently verified through our certification and accreditation schemes where applicable — strengthen employee trust and retention. Greater alignment between training, employee engagement and health and safety initiatives will help address segment-specific workforce needs and promote a more engaged workforce.

Community programmes in Malaysia and Indonesia will remain shaped by local needs and our operational presence, particularly in public health, education, sponsorship and rural community development. Together, these efforts strengthen our social foundation and support long-term business resilience.

Conclusion

SAB's FY2026 Sustainability Statement reflects the Company's ongoing efforts to integrate sustainability considerations into its business operations, governance practices and stakeholder engagement. Across the EES pillars, the Company has taken a structured approach to managing material matters that influence operational resilience, stakeholder trust and long-term value creation.

During FY2026, SAB strengthened its focus on ethical business conduct, responsible procurement, quality standards, customer and patient satisfaction, workplace safety, employee development, human rights and community contribution. These areas are closely connected, as strong governance supports responsible decision-making, while effective economic, environmental and social practices help the Company respond to evolving business risks and stakeholder expectations.

As sustainability expectations and reporting requirements evolve, SAB aims to enhance the quality, consistency and transparency of its sustainability disclosures. Greater emphasis will be placed on strengthening data management, improving internal monitoring and aligning sustainability practices with business priorities across its core segments.

Through this integrated approach, SAB seeks to create long-term value for its shareholders, employees, customers, patients, suppliers, communities and other stakeholders, while supporting responsible and resilient growth.

Sustainability Statement (cont'd)

SOUTHERN ACIDS (M) BHD

BMLR Transition Period

Date & Time: 2026-07-17 08:38:24

Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Emissions Management	Scope 1 Emission	tCO_2e	257,444	276,396	—	No assurance
Emissions Management	Scope 2 Emission	tCO_2e	19,943	17,703	—	No assurance
Emissions Management	Scope 3 Emission	tCO_2e	883	756	—	No assurance
Energy Management	Total Energy Consumption	MWh	370,915	328,580	—	No assurance
Water	Total volume of water used	Megalitres	1,317	1,141	—	No assurance
Waste	Total waste generated	Tonnes	223,103	237,416	—	No assurance
Board Diversity	Board of Director – Below 30 year old	Percentage	0	0	—	No assurance
Board Diversity	Board of Director – 30 to 50 year old	Percentage	16.7	16.7	—	No assurance
Board Diversity	Board of Director – Above 50 year old	Percentage	83.3	83.3	—	No assurance
Board Diversity	Board of Director - Male	Percentage	83.3	83.3	—	No assurance
Board Diversity	Board of Director - Female	Percentage	16.7	16.7	—	No assurance
Employee Diversity	Management - Below 30 years old	Percentage	1	1	—	No assurance
Employee Diversity	Management - 30 to 50 years old	Percentage	63	62	—	No assurance
Employee Diversity	Management - Above 50 years old	Percentage	36	37	—	No assurance
Employee Diversity	Executive - Below 30 years old	Percentage	20	22	—	No assurance
Employee Diversity	Executive - 30 to 50 years old	Percentage	69	62	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-07-17 08:38:24

Sustainability Statement (cont'd)

SOUTHERN ACIDS (M) BHD
BMLR Transition Period

Date & Time: 2026-07-17_08:38:24
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Employee Diversity	Executive - Above 50 years old	Percentage	11	16	—	No assurance
Employee Diversity	Non-executive - Below 30 years old	Percentage	31	28	—	No assurance
Employee Diversity	Non-executive - 30 to 50 years old	Percentage	59	60	—	No assurance
Employee Diversity	Non-executive - Above 50 years old	Percentage	10	12	—	No assurance
Employee Diversity	Management - Male	Percentage	39	36	—	No assurance
Employee Diversity	Management - Female	Percentage	61	64	—	No assurance
Employee Diversity	Executive - Male	Percentage	38	40	—	No assurance
Employee Diversity	Executive - Female	Percentage	62	60	—	No assurance
Employee Diversity	Non-Executive - Male	Percentage	79	78	—	No assurance
Employee Diversity	Non-Executive - Female	Percentage	21	22	—	No assurance
Labour Practices	Management - Total training hours	Hours	939	1,287	—	No assurance
Labour Practices	Executive - Total training hours	Hours	1,730	2,273	—	No assurance
Labour Practices	Non-Executive - Total training hours	Hours	5,034	2,942	—	No assurance
Labour Practices	Management - Total number of Employee turnover	Number	14	10	—	No assurance
Labour Practices	Executive - Total number of employee turnover	Number	41	34	—	No assurance

Sustainability Statement (cont'd)

SOUTHERN ACIDS (M) BHD

BMLR Transition Period

Date & Time: 2026-07-17_08:38:24

Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour Practices	Non-Executive - Total number of employee turnover	Number	183	200	—	No assurance
Labour Practices	Number of substantiated complaints concerning human rights violations	Number	0	0	—	No assurance
Labour Practices	Number of contractors or temporary staff	Percentage	13.50	11	—	No assurance
Health and Safety	Number of employees trained on health and safety	Number	590	623	—	No assurance
Health and Safety	Number of work-related fatalities	Number	0	0	—	No assurance
Health and Safety	Lost Time Incident Rate	Rate	0.3	0.36	—	No assurance
Data Privacy	Number of substantiated on data breach	Number	0	0	—	No assurance
Anti-Corruption	Confirmed incidents of corruption and action taken	Number	0	0	—	No assurance
Anti-Corruption	Management - Employees who have received training on anti-corruption	Percentage	94.4	98.8	—	No assurance
Anti-Corruption	Executive - Employees who have received training on anti-corruption	Percentage	41.6	84.6	—	No assurance
Anti-Corruption	Non-executive - Employees who have received training on anti-corruption	Percentage	6.8	22.7	—	No assurance
Anti-Corruption	Operations assessed for corruption-related risks	Percentage	100	100	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-07-17_08:38:24

Sustainability Statement (cont'd)

SOUTHERN ACIDS (M) BHD

BMLR Transition Period

Date & Time: 2026-07-17 08:38:24

Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Community/Society	Total amount invested in the community	Ringgit Malaysia	1,076,218	712,978	—	No assurance
Community/Society	Total number of beneficiaries of the investment in communities	Number	40,894	38,316	—	No assurance
Supply Chain Management	Proportion of spending on local suppliers	Percentage	97.7	99.5	—	No assurance

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Corporate Governance Overview Statement

The Board of the Company is committed to continually striving for the highest standard of corporate governance, recognising its pivotal role in supporting 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 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 the Bursa Malaysia MMLR and guided by the prevailing regulatory and best practice standards, including:

- Malaysia Code on Corporate Governance ("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

The Company's Corporate Governance Report 2026 ("CG Report 2026"), which is available on the Company's website, provides details on how each Practice as set out in the MCCG 2021 has been applied by the Company during FY2026.

This Statement together with the CG Report 2026 were approved by the Board on 3 July 2026.

PRINCIPAL A – BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

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

To support its oversight responsibilities, the Board has established two Board Committees namely the AC and the NRC. This enables the Board to focus on strategic and governance matters while delegating specific responsibilities to the respective Board Committees. Each Board Committee has its own delegated authority, specific roles and responsibilities which are detailed in their respective TOR and available on the Company's website at www.southernacids.com.

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

In the Board Charter, key matters reserved for the Board's approval include the corporate plan, 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.

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 clear and distinct roles as guided by the Board Charter, thereby ensuring a balance of power and authority.

The Chairman is responsible for providing leadership to the Board and ensuring its 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 management in ensuring the success of the Company's overall governance and management functions.

Cultivating Good Business Conduct

The Board has established various codes and policies to promote good business conduct throughout the organisation.

In promoting good business conduct and maintaining a healthy corporate culture, the Board has in place the CoCE which sets out the minimum standards for directors and employees, to affirm its commitment to practise the highest level of 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 WP which embodies the commitment in ensuring the highest possible 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 and Guidelines which demonstrates the Company's commitment in ensuring that the organisation adheres to the principles of good corporate governance and emphasises conducting its business with fairness, integrity and transparency.

The Company's CoCE, WP and ABAC are published on the Company's 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 ("MAICSA") and are qualified to act as company secretary under the Companies Act 2016 ("CA 2016"). They are as follows:

- Madam Lim Kui Suang
- Madam Ng Shu Ling

The Company Secretaries' role is to advise the Board, through the Chairman, on governance matters and ensure that the Board receives regular updates on regulatory and statutory developments.

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 relating to financial reporting, related party transactions, conflict of interest, external audit and internal audit.

A full AC report is set out on pages 105 to 108 of this Annual Report.

The Nomination and Remuneration Committee

In relation to its nomination function, the NRC ensures that the Company recruits, retains, trains and develops directors of appropriate calibre and competency, while overseeing Board renewal and succession planning.

On the primary functions of remuneration, the key tasks 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, consisting of one Non-Independent Non-Executive Director ("NINED"), who also serves as Chairman of NRC, and two INEDs. Its delegated authority, specific roles and responsibilities are set out in its TOR.

The NRC held three meetings in FY2026.

Key Deliberations by The NRC In FY2026

Nomination Activities	
Board, Board Committees, Directors and Company Secretaries Evaluation	• **Conducted the annual assessment for the following:** - Individual director including the Chairman - SAB Board - Audit Committee - Nomination & Remuneration Committee - Independence of Independent Director - Company Secretaries
Nomination	• Conducted the annual assessment on the retention of the Chairman who has served cumulatively for more than nine years as the Independent Non-Executive Chairman • Conducted assessment on the re-election of directors at the forthcoming AGM
Success Planning	• Reviewed and deliberated the detailed succession planning of the key management of the three core business segments. Various options were presented and deliberated upon and remain subject to further refinement as part of the ongoing succession planning process.
Others	• Reviewed and deliberated on the options on the Non-Executive Chairman position which would reach his 12-year tenure limit in August 2026 as well as the potential gap in independence levels thereafter; and agreed to seek the Board's direction on the succession planning for the Non-Executive Chairman and subject matter on 50% independence threshold as per Board Charter as well as the MCCG • Reviewed the current assessment forms to incorporate Key Performance Indicators and sustainability metrics. The new assessment forms will be updated in due course.

PRINCIPAL A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Key Deliberations by The NRC In FY2026 (Cont'd)

Remuneration Activities	
Board Remuneration	• Reviewed and recommended the annual directors fees for FY2025 for shareholders' approval in the forthcoming AGM • Reviewed and recommended the payment of directors' benefits from the following AGM date in August 2025 until the next AGM of the Company to be held in 2026
MD, ED and CFO Evaluation and Remuneration	• Discussed and deliberated on the terms and conditions of the existing contract for the MD • Reviewed and recommended the annual increment for the MD and CFO as well as the bonus for the MD, ED and CFO
Others	• Reviewed the current assessment forms to incorporate Key Performance Indicators and sustainability metrics. The new assessment forms will be updated in due course.

Assessment And Evaluation Criteria Used by Nomination

1. Annual Assessment	
Individual director	• Willingness and ability of critically challenge and ask the right questions • Character and integrity in dealing with potential conflict of interest situations • Commitment to serve the Company, due diligence and integrity • Confidence to stand up for a point of view
SAB Board	**Categorised into the following section:** • Broad mix and composition • Quality of information and decision making • Boardroom activities
Audit Committee Member	• Personality and characteristics • Experience including financial literacy • Skills and experience in evaluating data relating to the Company's business and risk environment • Understanding on the Company's significant financial and non-financial risks • Understanding on the Company's compliance processes • Understanding of financial and statutory reporting requirements • Understanding of the Company's significant accounting policies, accounting estimates and financial reporting practices
Nomination & Remuneration Committee Member	**Overall** • Personality and characteristics • Experience to meet the objectives of the NRC's TOR **Nomination Function** • Understanding of human resource legislation and issues • Understanding of the requirement for Board and Board Committees composition • Understanding on the nomination and appointment process of director • Understanding the Company's succession planning • Skills and experience in the field of talent retention, capacity building, performance evaluation and skillset development for directors and senior management **Remuneration Function** • Understanding of remuneration package of Non-Independent Executive Director ("NIED"), INED, Non-Executive Chairman and CFO • Understanding of the Company's compensation policy and its alignment with corporate performance, and ensuring that compensation offered is comparable with prevailing market practices

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 (Cont'd)	
Independence of Independent Director	• Meet the requirements as set out under Chapter 1, Para 1.01 of the Bursa Malaysia MMLR • Demonstrate and promote values of transparency, accountability and responsibility • Participate in Board and Board Committees deliberations and provide an independent view or objective advice
Company Secretaries	• Meet the statutory requirements • Best practices requirements • Organisation formalities
2. Nomination	
Retention of director who has served for a cumulative of more than nine years as INED	• Continue to exercise judgement and act in the best interest of the Company • Knowledge of the business and has proven commitment and competency • Able to participate and contribute actively during deliberations at Board and Board Committees meetings • Able to challenge the management in an effective and constructive manner
Re-election of directors at the AGM	• Recommendation is based on the results of the annual assessments conducted over the preceding three years, taking into consideration each director's contribution, commitment, performance and independence

Board Composition

The Board composition during the financial year under review represented 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 2026, the Board comprises six members which consist of three INEDs, one NINED and two NIEDs. 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 2026.

Analysis of the Board diversity

BOARD DIVERSITY			
1	**Composition**	INED NIED and NINED	50.0% 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 organisation.

Board and Board Committees Meetings

In FY2026, Directors have shown full commitment of their duties and responsibilities as reflected by their attendance at Board and Board Committees meetings. Their attendance at the Board and Board Committees meetings held during the financial year is 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	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 organisations 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
Dato' Sri Dr Nick Low	
12-17 May 2025	Young Presidents Organisation ("YPO") & London Business School; YPO Leader & Entrepreneur Programme 2025
3-4 June 2025	MPOC; Malaysia Palm Oil Forum Philippines 2025
9-11 June 2025	Association of Private Hospital of Malaysia Conference & Exhibition
20-21 September 2025	Disruptive Doctors Conference & Exhibition; Where Doctors Drive Real Change in Healthcare
27 September 2025	Advance IVF Protocols & Embryology Innovation
Datuk Wira Lim	
12-14 November 2025	IPOC; IPOC 2025 – 21st Indonesian Palm Oil Conference & Price Outlook
9-11 February 2026	Bursa Malaysia Derivatives Berhad; Price Outlook Conference & Exhibition (POC) 2026 – 37th Palm & Lauric Price Outlook Conference & Exhibition
Mr. Chung	
24 June 2025	CPA Australia; Decoding Malaysia's New Stamp Duty Regime : Key Changes, Risk & Compliance
14 October 2025	CPA Australia; Highlights from Budget 2026
25 November 2025	Securities Commission ("SC"); Audit Oversight Board ("AOB") Conversation with Audit Committee
18 December 2025	CPA Australia; Ethics: Non-compliance with Laws & Regulations
31 December 2025	CPA Australia; Professional Ethics in Focus 2025
Mr. Stephen Wan	
13 June 2025	Moore Stephens Associates PLT ("Moore Stephens"); • Reporting Accountant Engagement (ISAE, ISRS & MIRS) • ISA 720 The Auditor's Responsibilities Relating to Other Information
26 June 2025	Moore Stephens; • IT Security Awareness • MFRS 123 Borrowing Costs
21-22 July 2025	Malaysia Institute of Accountants ("MIA"); Planning, Materiality and Assessing the Risk of Material Misstatements
22 August 2025	MIA; MFRS/IFRS 18 in Practice: Guide for Accountants, Preparer and Auditors
25-26 August 2025	MIA; Advanced Auditing Techniques: Applying ISA 315 (Revised) and ISA 330 with case studies
22 September 2025	Moore Stephens; • MFRS 3 Business Combination • Introduction to IFRS S1 & S2 • MFRS 133 Earnings Per Share

Corporate Governance Overview Statement (cont'd)

PRINCIPAL A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Continuous Professional Development (Cont'd)

Dates	Description of the training programme
Mr. Stephen Wan (Cont'd)	
24 September 2025	Moore Stephens; • MFRS 18 Presentation with Disclosure in Financial Statements • MFRS 19 Subsidiaries without Public Accountability
29-30 September 2025	MGNL; Moore APAC Audit Conference 2025
20-21 October 2025	MGNL; Moore Global Partners Conference 2025
10 November 2025	Moore Stephens; • 2024/2025 MIA FSR • Property Development Activities • ISA 620 Using the Work of an Auditor Expert
18 November 2025	Moore Advent Tax; Budget 2026 Update
Madam Debbie Choa	
24-26 June 2025	International Conference on Cohesive Societies; Cohesive Societies. Resilient Futures'
21-23 September 2025	Living Bridges Entrepreneurs; Leadership Retreat 2025
9-11 October 2025	Leaderonomics and Meta Consulting; Unchanging Values' Changing Landscape
25 November 2025	SC; Audit Oversight Board's Conversation with Audit Committees
20 January 2026	Malaysian Bar Council; Tech Law Conference – Navigating Tech Law in Legal Practice
12 February 2026	Adnan Sundra & Low; Employment Law Essential – A Practical Introduction
4 March 2026	Adnan Sundra & Low; Smart Contracts and Legal Practices – Fundamental, Applications and Lawyer Responsibilities

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 a revision to the existing remuneration framework for FY2026 as follows:

	Current Remuneration Framework		Revised Remuneration Framework	
	Annual Fee	Allowance (Per Meeting)	Annual Fee	Allowance (Per Meeting)
Chairman				
• Board	142,500	1,600	150,000	1,600
• AC	142,500	1,600	150,000	1,600
Board Member	95,000	800	100,000	800

Corporate Governance Overview Statement (cont'd)

PRINCIPAL A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

The details of the Directors' remuneration paid and payable from the Company and its subsidiaries during FY2026 are as follows:

Company-Level

Director	Remuneration ^ RM	Fee RM	Meeting Allowance RM	BIK ^^ RM	Total RM
Independent Non-Executive Chairman					
Tan Sri Sulong	-	150,000	14,400	-	164,400
Independent Non-Executive Directors					
Mr. Stephen Wan	-	150,000	14,400	-	164,400
Madam Debbie Choa	-	100,000	8,000	-	108,000
Non-Independent Non-Executive Director					
Mr. Chung	-	100,000	12,800	-	112,800
Non-Independent Executive Directors					
Dato' Sri Dr. Nick Low	1,344,000	100,000	9,600	45,786	1,499,386
Datuk Wira Lim	549,120	100,000	10,400	40,227	699,747

Company and its subsidiaries-Level

Director	Remuneration ^ RM	Fee RM	Meeting Allowance RM	BIK ^^ RM	Total RM
Independent Non-Executive Chairman					
Tan Sri Sulong	-	150,000	14,400	-	164,400
Independent Non-Executive Directors					
Mr. Stephen Wan	-	150,000	14,400	-	164,400
Madam Debbie Choa	-	100,000	8,000	-	108,000
Non-Independent Non-Executive Director					
Mr. Chung	-	100,000	12,800	-	112,800
Non-Independent Executive Directors					
Dato' Sri Dr. Nick Low	1,344,000	115,000	9,600	45,786	1,514,386
Datuk Wira Lim	802,206	152,691	10,400	40,227	1,005,524

^ Base salary, annual bonus and EPF contributions
^^ BIK is Benefits-in-kind ("BIK")

Corporate Governance Overview Statement (cont'd)

PRINCIPAL A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

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 of the top five senior management personnel.

The remuneration of the top five (5) senior management personnel (excluding EDs) of the Company and its subsidiaries in alphabetical order for FY2026 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 RM3.54 million computed on an aggregate basis, taking into account the relevant personnel's salary, allowances, bonus, BIK, other emoluments and EPF contribution.

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 the Malaysian Institute of Accountants as well as member of the Malaysian Institute of Certified Public Accountants.

In May 2025, 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. Based on the results of the assessment and evaluation, the NRC concluded that the AC members' contributions to the effectiveness of the AC were satisfactory.

In the AC Report on pages 105 to 108 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 Auditor") 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 the SRAB at management level.

In this respect, the details of the Company's Risk Management and Internal Control Framework are set out in the Statement on Risk Management and Internal Control on page 109 to page 114 of the AR 2026.

Corporate Governance Overview Statement (cont'd)

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

Communication with Stakeholders

The Board ensures transparent, prompt and timely dissemination of quality information to shareholders and various stakeholders to facilitate informed decisions. This is to ensure impartial treatment of investors by promptly and equitably disseminating a clearer picture of the Company's financial performance and position.

The current various channels of communications are as follows:

- announcements via Bursa LINK
- disclosures on the Company's website
- annual report of the Company
- AGMs
- Investor relations enquiries
- Email communications

The Company also has a dedicated email address kycheong@southernacids.com 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 serves 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.

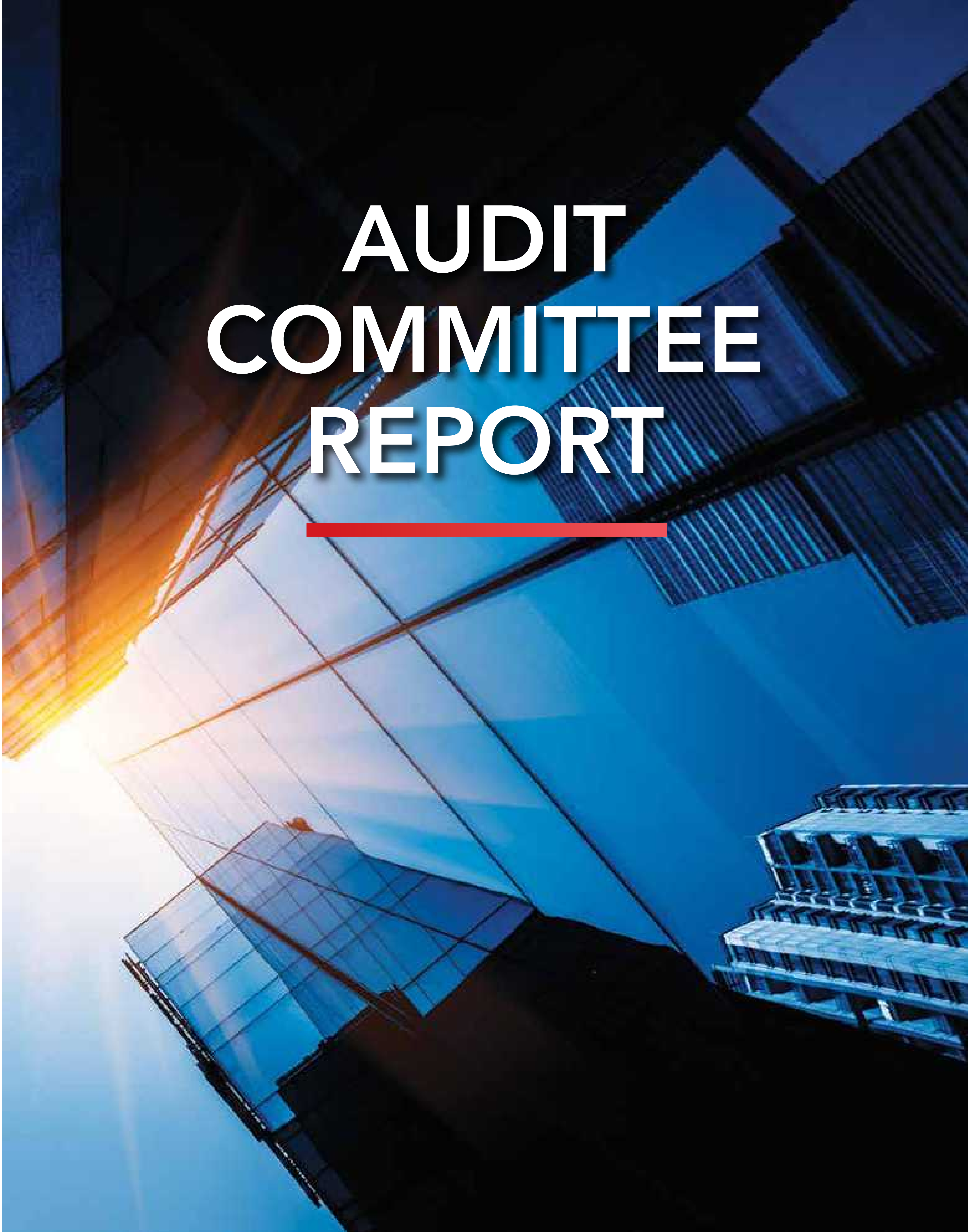
An overview of the Company's financial performance, including its prospects and challenges, is presented to shareholders, who are encouraged to participate actively during the Questions and Answers session.

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 feedback 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. At the last 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 3 July 2026.

AUDIT COMMITTEE REPORT



Audit Committee Report

The Board presents the Audit Committee Report ("AC Report") for FY2026 which in compliance with paragraph 15.15(1) of the Bursa Malaysia MMLR. The report provides an overview of the manner in which the AC discharged its responsibilities during the financial year.

Terms of Reference

The primary function of the AC is to assist the Board in fulfilling its fiduciary responsibilities by reviewing the adequacy and integrity of the Company's financial administration and reporting processes, as well as the adequacy and effectiveness of the Group's risk management, internal control and governance framework.

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

Composition

The AC comprises three members, including two Independent Non-Executive Directors and one Non-Independent Non-Executive Director. The Chairman of the AC is not the Chairman of the Board. The AC is chaired by an Independent Non-Executive Director who is a member of the Malaysian Institute of Accountants as well as a member of the Malaysian Institute of Certified Public Accountants. 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 AC meetings were held during the financial year. The attendance record of each AC members is as follows:

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

The Company Secretaries serve as secretaries to the AC meetings, attending meetings and recording the proceedings. As and when required, the following persons are invited to attend the AC meetings to provide clarification and input on matters under deliberation:

- MD/ED
- CFO and other Senior Management
- Outsourced internal auditor
- External auditor
- 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 consideration and approval, where appropriate. Minutes of the AC meetings were duly recorded, confirmed and subsequently presented to the Board for notation.

Audit Committee Report (cont'd)

Summary of Activities

The following activities were carried out during the financial year:

1	**Financial Reporting**	• Reviewed, deliberated and recommended the unaudited quarterly interim financial results including Bursa Malaysia announcements to the Board for approval • Reviewed, deliberated and recommended the Annual Report and Audited Financial Statements for FY2025 to the Board for approval • Reviewed significant accounting estimates, judgements and application of accounting policies
2	**Related Party Transactions ("RPT") and Conflict of Interest ("COI")**	• Reviewed the related party transactions and recurrent related party transactions of the Company and its subsidiaries on quarterly basis • 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 • Reviewed, deliberated and approved the announcement on the RRPT entered into by the Company's subsidiary, PT Mustika Agro Sari, 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%
3	**External Audit**	• Presentation by Deloitte Malaysia PLT on the following: a. The status update of the key findings and areas of audit focus and other audit matters for the annual audit of FY2025 b. Audited financial statements for FY2025 c. Professional Service Planning Memorandum for the annual audit of FY2026 • Assessed and deliberated the suitability, objectivity and independence of Deloitte Malaysia PLT together with reviewed their proposed audit fees before recommending their re-appointment to the Board for approval; • Held private session with Deloitte Malaysia PLT without the presence of management
4	**Internal Audit**	• Presentation by PwC RS on the following: a. Internal audit plan for FY2026 for AC deliberation and approval. Three audit cycles covering Healthcare Services, Milling and Cultivation and Cyber Security Assessment, together with the proposed internal audit fees for FY2026 b. Internal audit report on Healthcare Services (covering user access management, inventory management and procurement reporting process) and Milling and Cultivation (covering health and safety control, inventory management and authorization over procurement processess) c. Internal audit report on the Company's Cyber Security Assessment
5	**Risk Management & Internal Control Systems**	• 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 2025
6	**Sustainability & Risk Matters**	• Briefed on the Enterprise Risk Management ("ERM") annual update • Deliberated and approved the ERM policy and the setting up of the SRAB at management level, to support the AC • Briefed on the progress update on the Sustainability Reporting • Briefed on the latest Cyber Security Bill 2024 • Presentation of ERM implementation plan for Oleochemical Manufacturing and Milling and Cultivation segments. • Reviewed corruption risk assessment and integrity declaration processes
7	**Others**	• Briefed on the progress of the revised ABAC policy • Briefed on the progress of the due diligence forms as required under the CoCE • Deliberated and approved the revised TOR of the AC • Discussed and deliberated on an enquiry from a shareholder • Update on Bursa Malaysia MMLR on Enhanced Sustainability Reporting Requirements

Audit Committee Report (cont'd)

Internal Audit Function

The Board has outsourced the internal audit function to an independent assurance provider, 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 internal audit methodology which takes into considerations of International Professional Practice Framework issued by the Institute of Internal Auditors. PwC RS carried out the internal audit engagements in accordance with the annual internal audit plan approved by the AC.

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

- Conduct planning discussions with management to gain business understanding and identify areas of focus
- Identify and test selected controls within the focus area
- Develop recommendations for areas where improvements are required
- Conduct exit meeting and obtain management responses, action plans and implementation timelines for the recommendations
- Present audit observations and recommendations to the AC

The total costs incurred for the outsourced internal auditor function amounted to RM178,083.00 for FY2026.

The AC Report was approved by the Board on 3 July 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Statement On Risk Management And Internal Control

Pursuant to Paragraph 15.26(b) of the Bursa Malaysia MMLR, the Board of SAB is pleased to present the Statement on Risk Management and Internal Control ("SORMIC") of SAB and its subsidiaries for FY2026.

This statement is prepared with reference to Principle B of the MCCG 2021 as well as the "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Companies ("SORMIC Guide 2025")" issued by Bursa Malaysia. In view of the SORMIC Guide 2025 was published in September 2025, the Group is still in the transition stage for aligning its practices with the SORMIC Guide 2025 during the financial year under review. The scope of this Statement includes the Company and its operating subsidiaries.

Board's Responsibility

The Board acknowledges and affirms its overall responsibility for establishing and maintaining a sound system of risk management and internal control to safeguard shareholders' investments and stakeholders' interest, as well as SAB and its subsidiaries' assets.

Due to inherent limitation of any system of risk management and internal control, the Board recognises that the framework is designed to manage, rather than eliminate, the risk of failure to achieve the Company and its subsidiaries' business objectives and can therefore only provide reasonable, but not absolute assurance against material misstatement, fraud, losses or irregularities.

The Board is responsible for overseeing the Company's governance, risk management and internal control systems. The Board's roles and responsibilities and governance practices are further described in the Corporate Governance Overview Statement contained in this Annual Report. This includes reviewing reports from internal and external assurance providers, monitoring the implementation of appropriate remedial actions to address significant control weaknesses, and ensuring the Company and its subsidiaries' objectives are in the context of its risk appetite. The Board establishes and reviews the Group's risk appetite and tolerance level to ensure that risks undertaken remain within acceptable parameters and are aligned with the Group's strategic objectives.

The Board has delegated oversight responsibilities of the Company's risk management and internal control framework to the AC. However, the Board remains ultimately responsible for the adequacy and effectiveness of the framework.

Audit Committee's Responsibility

The AC is supported by Management through the SRAB, a management-level committee established to oversee the Company's overall risk management, internal controls, anti-corruption, whistleblowing and governance processes.

The Company has engaged PwC RS to provide independent internal audit services and Deloitte Malaysia PLT as its External Auditors. The internal auditor support the AC in discharging its oversight responsibilities by providing independent assurance and recommendations on matters relating to governance, risk management, internal controls, and financial reporting.

Further information on the composition, roles, responsibilities and activities undertaken by the AC during the financial year are set out in the AC Report contained in this AR.

Management's Responsibility

Management is accountable to the Board for implementing and monitoring the risk management and internal control systems and providing assurance to the Board that these systems are operating adequately.

At management level, SRAB is chaired by the MD and its members comprise of heads of Operational Business Units (OBUs) and selected members of second-line management.

The MD, ED, and Senior Management continue to demonstrate their strong commitment to the Company's ERM via the Annual Statement on Continuous Commitment to an Effective ERM, 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 risk management and internal controls.

Statement On Risk Management And Internal Control (cont'd)

Management's Responsibility (cont'd)

The Company adopts a Control Self-Assessment ("CSA") environment 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. This approach enhances internal controls, strengthens risk management, and supports the overall performance of the Company and its subsidiaries.

Risk Management Structure

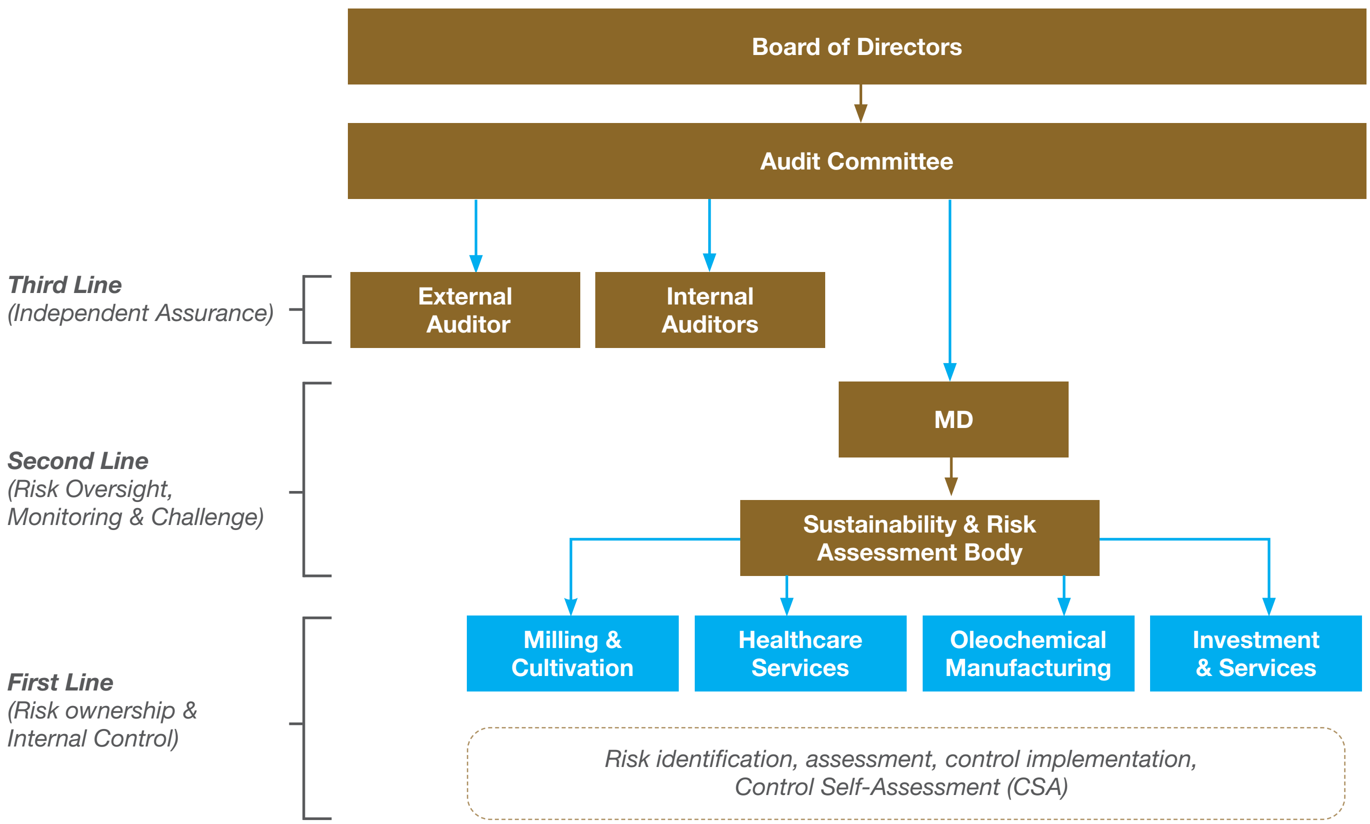
SAB adopts the Three Lines Model as the foundation of its governance, risk management and internal control framework. The model clearly defines accountability and responsibilities for managing risks and providing assurance over the effectiveness of internal controls.

The First Line comprises operational management and business units, which own and manage risks and implement internal controls within their respective areas of responsibility.

The Second Line comprises SRAB, Risk Officers and other oversight functions responsible for facilitating, monitoring and challenging risk management activities.

The Third Line comprises the outsourced Internal Audit function and External Auditors. The outsourced Internal Audit function provides independent and objective assurance to the AC and the Board on the adequacy and effectiveness of the Group's governance, risk management and internal control systems. The External Auditors provide independent assurance on the Company and its subsidiaries' financial statements and communicate significant audit findings and control observations to the AC and the Board, where appropriate.

The following diagram illustrates SAB's governance and reporting structure based on the Three Lines Model.



Statement On Risk Management And Internal Control (cont'd)

Internal Control Framework

The Board recognises that effective internal control systems are fundamental to achieving operational efficiency and maintaining sound corporate governance practices. The system is designed to identify operational weaknesses, manage risk exposures effectively, safeguard assets, ensure the accuracy of records, and promote adherence to applicable policies, rules, regulations, and laws.

The key internal control processes implemented include:

1. Authority and Responsibility

The Company is governed by the Board of Directors whose roles, authorities, and matters reserved for the Board are set out in the Board Charter. The Board is supported by the relevant Board Committees, each guided by its respective TOR, which define the committee's purpose, authority, duties, responsibilities and accountability.

The Company has established an organisational structure that defined lines of responsibility and authorisation procedures. This framework guides senior management in their operations and accountability.

2. Centralised Key Functions

As part of the Company's initiatives to promote greater efficiency, manage costs effectively, and respond proactively to the business environment, certain key functions have been centralised. These include finance, investment, treasury, corporate affairs, compliance, tender committee, procurement committee and human resources.

3. Operational Controls

The Company has implemented the following operational controls:

- Defined level of authority for each level of management staff
- Established approval processes for capital and operational expenditures
- Business planning and annual budgeting processes for respective business segment, with periodic performance monitoring

4. Financial Reporting Controls

Financial reports are prepared on a monthly basis and reviewed at the respective management meetings. Interim financial reports are prepared quarterly and presented to the AC for review and deliberation before being recommended to the Board for approval.

The annual audited financial statements, together with the findings of the External Auditors, are reviewed by the AC prior to their submission to the Board for approval.

5. Internal Audit

Internal audits are conducted based on the Annual Audit Plan approved by the AC. Audit findings, recommendations raised by PwC RS, together with the Management's responses are deliberated at AC meetings and subsequently reported to the Board.

The AC ensures that the internal audit function remains effective and independent of Management.

6. External Audit

Deloitte Malaysia PLT conducts an independent evaluation of the design and implementation of internal controls relevant to their annual audit. They may report and make recommendations to the AC and management on any procedures, controls, or related matters requiring improvement.

7. Anti-Bribery and Anti-Corruption (ABAC) Policy

The Company has implemented an ABAC Policy and accompanying guidelines. These documents outline the Company's responsibilities and provide information to the Board, employees, and stakeholders on conducting business with integrity and in full compliance with applicable laws, rules, and regulations.

Statement On Risk Management And Internal Control (cont'd)

Internal Control Framework (cont'd)

8. Code of Conduct and Ethics (CoCE)

The CoCE is a key component of the Company's governance framework. It sets out the ethical principles and expected standard of conduct in conducting business and complying with applicable laws and regulations for all directors and employees within the Company and its subsidiaries, as well as its business associates.

9. Whistleblower Policy

The Company has implemented a Whistleblower Policy and established a Whistleblowing Channel, which is available on its website, that reflects its commitment to enabling employees and stakeholders to raise concerns responsibly and confidentially. The policy ensures that whistleblowers are protected from victimisation or discriminatory treatment when reporting any misconduct.

10. Information Technology Controls

The Company has implemented cybersecurity controls, including user access management, system backup and recovery procedures. Cybersecurity risks are monitored through an outsourced IT specialist with management oversight.

11. Human Capital

The Company recognises that its employees are a key asset and is committed to upholding fundamental human rights while fostering a safe, healthy and conducive working environment. To support this commitment, HSE Committees have been established across the respective business segments to oversee occupational health and safety matters and promote compliance with applicable laws, regulations and internal policies.

Key measures implemented include the provision of regular training and awareness programmes for employees and workers and maintenance of appropriate insurance coverage for employees. In addition, the respective business segments continue to enhance the living conditions of staff quarters at its estates, factory and accommodation facilities for nursing staff to promote well-being and staff welfare. These initiatives support the Company's efforts to manage human capital-related risks, strengthen workplace safety and operational resilience, and foster a sustainable and productive workforce.

INTERNAL AUDIT FUNCTION

The internal audit function provides independent and objective assurance to the Audit Committee and the Board on the adequacy and effectiveness of the Group's governance, risk management and internal control systems.
The principal responsibilities of the internal audit function include:

- Conducting risk-based internal audit reviews;
- Assessing compliance with policies and procedures;
- Evaluating effectiveness of internal controls;
- Highlighting significant audit findings and recommendations; and
- Monitoring Management's implementation of corrective actions.

The AC reviews and approves the annual internal audit plan and receives periodic internal audit reports on audit findings, recommendations and Management's responses thereto. A summary of the internal audit activities carried out during the financial year is disclosed in the AC Report contained in this Annual Report.

The internal audit function is outsourced to PwC RS, an independent professional firm that assists the organisation in achieving its goals by adopting a disciplined approach to evaluate and improve the effectiveness of risk management, internal control, anti-corruption, whistleblowing and governance processes. The Internal Auditors report directly to the AC, providing valuable insights and recommendations for both the AC and the Board regarding areas of weaknesses or deficiencies in internal processes. This facilitates the implementation of appropriate remedial measures by SAB and its subsidiaries.

Statement On Risk Management And Internal Control (cont'd)

Review of the Effectiveness of Risk Management and Internal Control

The Board, through the AC, has undertaken ongoing assessments of the adequacy and effectiveness of the risk management and internal control systems during the financial year under review.

The review processes included:

- review and deliberation of internal audit reports and findings;
- review and deliberation of observations and recommendations raised by the External Auditors;
- review of risk management briefings;
- monitoring of significant operational, financial, compliance and governance matters; and
- obtaining assurance from the MD and CFO on the adequacy and effectiveness of the Company's risk management and internal control systems.

Based on the reviews conducted and assurance received from Management, Internal Auditors and External Auditors, the Board is satisfied that the Company's risk management and internal control systems were adequate and effective in managing the overall risks within acceptable risk levels during the financial year under review.

Review of the Statement by External Auditors

Deloitte Malaysia PLT has reviewed this Statement pursuant to Paragraph 15.23 of the Bursa Malaysia MMLR for FY2026 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 Malaysia PLT is not required to consider whether the Statement 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 Malaysia 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 Malaysia 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 Section 7 of the SORMIC Guide 2025, or that the Statement is factually inaccurate.

Assurance To the Board

The Board has received assurance from the MD and CFO that the existing risk governance structure, together with the risk management and internal control systems and ongoing monitoring processes of SAB and its subsidiaries are operating adequately and effectively, in all material aspects.

Conclusion

The Board is of the view that the overall risk management and internal control system in place for the financial year under review, and up to the date of approval of this Statement for inclusion in the Annual Report, is adequate and effective to safeguard shareholders' investments, the interests of stakeholders, and to protect the Group's assets in all material aspects.

During the financial year under review, no material internal control weaknesses or significant deficiencies were identified that would result in material losses, contingencies or uncertainties requiring separate disclosure in the Annual Report.

This Statement was approved by the Board on 3 July 2026.

Additional Compliance Information

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 FY2026 are as follows:

	Company (RM'000)	Group (RM'000)
Audit Fee	125	624
Non-audit Fee ^	10	10
Total	**135**	**634**

^ Non-audit fee is for the 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 FY2026 or entered into since the end of the previous financial year.

4. Recurrent Related Party Transactions

At the 44th AGM of the Company held on 29 August 2025, the Company obtained shareholders' mandate for the Company and its subsidiaries to enter recurrent related party transactions (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 28 August 2026. The details of the Proposed Shareholders' Mandate are disclosed in the Circular to Shareholders dated 28 July 2026.

The aggregate value of RRPTs during the FY2026 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 Malaysian Financial Reporting Standards ("MFRS"), IFRS, 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 as well as the Group for the financial year.

In preparing the financial statements, the Directors have:

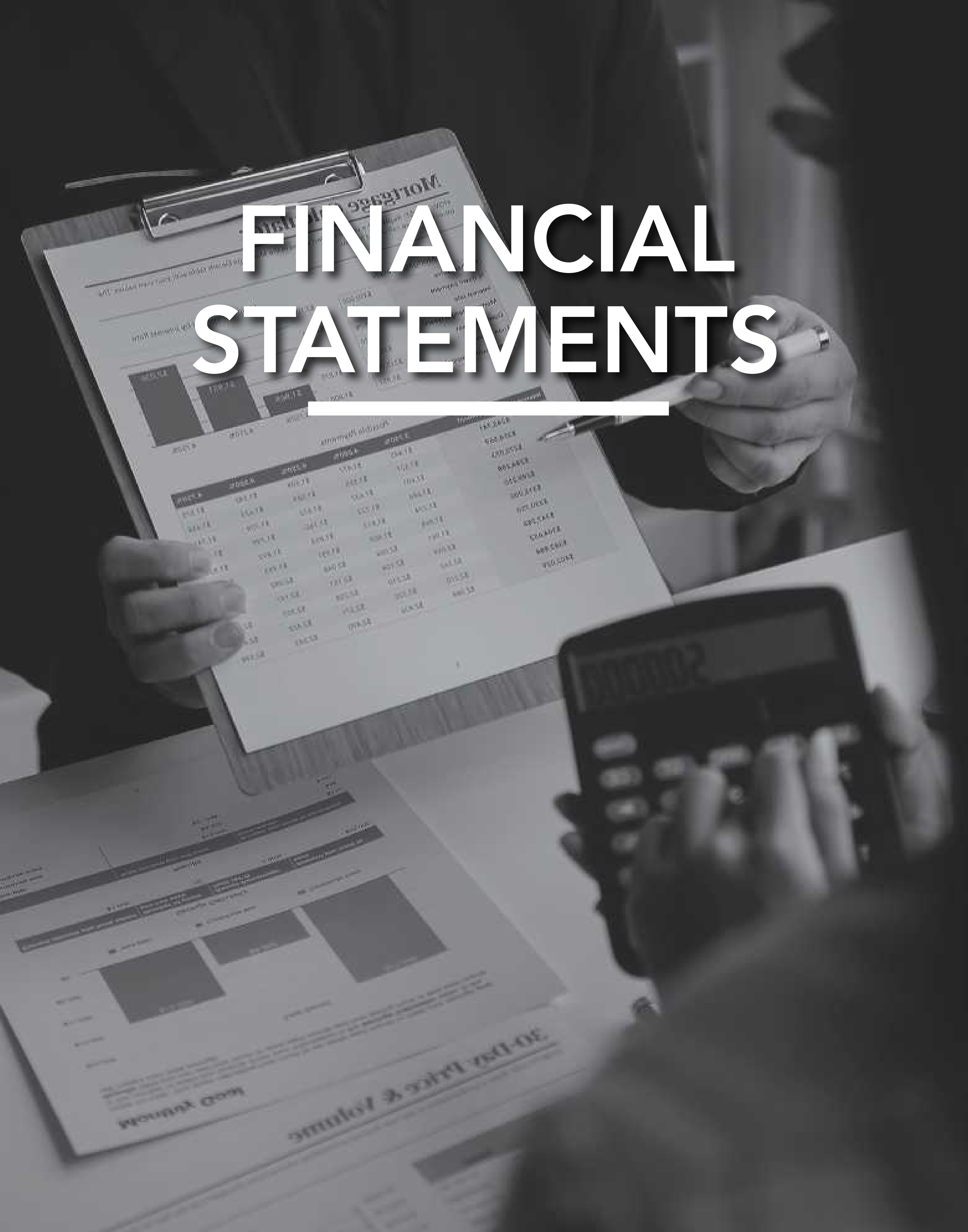
- Adopted appropriate and relevant accounting standards and policies, and applied consistently;
- Made judgements and estimates on reasonable and prudent basis; and
- Prepared the financial statements on a going concern basis.

The Directors are also responsible to ensure that the quarterly reports and annual audited financial statements are released to Bursa Malaysia Securities Berhad 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 Group and the Company 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 Group and of the Company, and to detect and prevent fraud and other irregularities.

FINANCIAL STATEMENTS



Financial *Statements*

05
OUR FINANCIAL PERFORMANCE

Directors' Report

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 2026.

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 operations 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	75,520	21,289
Income tax (expense)/credit	(23,294)	51
Profit for the financial year	52,226	21,340
Attributable to:		
Equity holders of the Company	37,378	21,340
Non-controlling interests	14,848	-
	52,226	21,340

In the opinion of the Directors, the results of operations 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, other than the recognition by the Group of other income and interest income arising from the settlement sum pursuant to the consent judgement, as disclosed in Note 45 (i) to the financial statements.

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 5 November 2025.

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 2027.

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.

Directors' Report
(cont'd)

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:

(a) 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
Herry Mukiat
Low Swee Yim
Lai Fu-Khate (Appointed on 6 December 2025)
Chuang Yen Jeat (Appointed on 6 December 2025)
Ng Kar Ngai (Appointed on 18 April 2025)
Tiong Chuu Ling (Resigned on 5 December 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 ordinary shares		
	As at 1.4.2025	**Acquired**	**Disposed**	**As at 31.3.2026**
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	2,819	2,498
Contributions to Employees Provident Fund	165	165
	2,984	2,663

The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Group and the Company amounted to RM86,013.

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 RM15,415.

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year is disclosed in Note 45 to the financial statements.

Directors' Report (cont'd)

AUDITORS' REMUNERATION

The amount paid/payable as remuneration of the auditors for the financial year ended 31 March 2026 are as follows:

	The Group RM'000	The Company RM'000
Statutory audit fee	624	125
Non-statutory audit fee	10	10
	634	135

AUDITORS

The auditors, Deloitte Malaysia PLT (formerly known as Deloitte PLT), have indicated their willingness to continue in office.

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
3 July 2026

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 2026, 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 128 to 214.

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 2026, 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"), as applicable to audits of financial statements of public interest entities 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	How the Scope of our Audit Responded to the Key Audit Matter
Impairment assessment of carrying amount of property, plant and equipment related to the Group's oleochemical manufacturing business As at 31 March 2026, included in the oleochemical segment are property, plant and equipment, mainly comprising the factory building and plant and machinery of Southern Acids Industries Sdn. Bhd. ("SAI"), a wholly-owned subsidiary of the Company, with a carrying amount of RM17,868,000. These assets are situated on land owned by a major shareholder of the Company, Southern Realty (Malaya) Sdn. Bhd. ("SRM"). Accordingly, SRM charged SAI rental for the use of the said land. The lease agreement between SRM and SAI expired on 31 March 2026, which is significantly shorter than the remaining useful life of the property, plant and equipment situated on the land. Subsequent to the financial year end, SAI entered into a temporary and provisional lease agreement with SRM for the period from 1 April 2026 to 31 December 2026. Pursuant to the said temporary and provisional lease agreement, both SAI and SRM agreed that a formal lease agreement for a term of three years, incorporating additional and more comprehensive terms and conditions, shall be prepared and executed. In addition, during the current financial year, there was a significant decline in the utilisation of the oleochemical manufacturing plant and SAI incurred higher financial losses compared to the previous financial year. Management considered the continued losses of the oleochemical manufacturing business an indication of impairment. Management's assessment of the likelihood of renewing the lease agreement in the near future involves significant judgement, while the determination of the recoverable amount of property, plant and equipment of the oleochemical manufacturing business is subject to estimation uncertainty. 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 amount 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 have been disclosed in Note 13 to the financial statements.	We held discussions with the Directors of the Company to gain an understanding of the future plans of SAI and likelihood of renewal of the lease agreement. We obtained and assessed the latest lease agreement entered into after the financial year end to identify any matters that may adversely affect the likelihood of renewing the lease agreement in the future. We assessed management's assessment of the renewal which includes the historical trend of the lease agreement being renewed. We performed test on the design and implementation of relevant controls surrounding the impairment assessment of property, plant and equipment. We reviewed the recoverable amount, which is the higher of fair value less costs to sell ("FVLCS") or value in use ("VIU") as determined by management. As the recoverable amount was determined based on the FVLCS, we performed the following procedures: • Obtained the valuation reports prepared by the independent valuer engaged by management; • Assessed the competency, capabilities and objectivity of the independent valuer engaged by management to determine the fair value of the property and related assets; • Held discussions with the independent valuer to understand and challenge the methodology and assumptions used to value the property and related assets; • Assessed the basis of, and relevant supporting documents for, management's estimation of costs to dispose; and • Compared the carrying amount of the property and related assets against the fair values determined by the independent valuer. We involved our internal valuation specialist in assessing the appropriateness of the impairment model and the assumptions used by management in determining the recoverable amount. 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) and Note 13 to the financial statements.

Independent Auditors' Report To The Members Of Southern Acids (M) Berhad (Incorporated in Malaysia) (cont'd)

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.

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

TAN YU MIN
Partner - 03503/07/2026 J
Chartered Accountant

Kuala Lumpur
3 July 2026

Statements Of Profit Or Loss And Other Comprehensive Income

For The Financial Year Ended 31 March 2026

		The Group		The Company	
		2026	**2025**	**2026**	**2025**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	5	**918,873**	1,090,530	**31,256**	27,350
Interest income	6	**14,685**	15,479	**1,475**	2,031
Other operating income		**38,990**	22,820	**1,133**	90
Changes in inventories of finished goods and work-in-progress		**2,725**	(3,545)	**-**	-
Raw materials and consumables used		**(725,524)**	(861,963)	**-**	-
Depreciation of property, plant and equipment	13	**(26,542)**	(24,722)	**(823)**	(672)
Depreciation of right-of-use assets	14	**(1,192)**	(1,381)	**-**	-
Depreciation of investment properties	15	**(40)**	(39)	**-**	-
Directors' remuneration	7	**(4,653)**	(4,160)	**(2,663)**	(2,311)
Employee benefits expenses	8	**(83,496)**	(83,729)	**(6,219)**	(4,849)
Other operating expenses		**(57,109)**	(75,597)	**(2,444)**	(2,829)
Finance costs	9	**(1,197)**	(1,945)	**(426)**	(671)
Share of results of an associate company	17	**-**	515	**-**	-
Profit before tax	8	**75,520**	72,263	**21,289**	18,139
Income tax (expense)/credit	10	**(23,294)**	(21,302)	**51**	-
Profit for the financial year		**52,226**	50,961	**21,340**	18,139
Profit for the financial year attributable to:					
Equity holders of the Company		**37,378**	36,702	**21,340**	18,139
Non-controlling interests	16	**14,848**	14,259	**-**	-
		52,226	50,961	**21,340**	18,139
Earnings per share (sen) attributable to equity holders of the Company					
Basic and diluted	11	**27.30**	26.80		

Statements Of Profit Or Loss And Other Comprehensive Income
For The Financial Year Ended 31 March 2026 (cont'd)

		The Group		The Company	
	Note	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Profit for the financial year		**52,226**	50,961	**21,340**	18,139
Other comprehensive (loss)/income:					
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences on foreign operation		**(40,819)**	(35,595)	**-**	-
Items that will not be reclassified subsequently to profit or loss:					
Profit/(Loss) arising from fair value changes in other investments	18	**77**	(3,482)	**(33)**	(3,482)
Remeasurement of defined benefit obligations, net of tax		**(161)**	(820)	**-**	(137)
		(40,903)	(39,897)	**(33)**	(3,619)
Total comprehensive income for the financial year, net of tax		**11,323**	11,064	**21,307**	14,520
Total comprehensive income attributable to:					
Equity holders of the Company		**8,774**	7,020	**21,307**	14,520
Non-controlling interests	16	**2,549**	4,044	**-**	-
		11,323	11,064	**21,307**	14,520

Statements Of Financial Position

As At 31 March 2026

	Note	The Group 2026 RM'000	The Group 2025 RM'000	The Company 2026 RM'000	The Company 2025 RM'000
ASSETS					
Non-Current Assets					
Land held for property development	12	**139,434**	139,868	**-**	-
Property, plant and equipment	13	**202,430**	205,623	**4,324**	4,902
Right-of-use assets	14	**265**	1,419	**-**	-
Investment properties	15	**15,464**	12,034	**-**	-
Investments in subsidiary companies	16	**-**	-	**278,368**	274,499
Investment in an associate company	17	**-**	-	**-**	-
Other investments	18	**38,947**	38,120	**38,087**	38,120
Other receivables	25	**4,192**	-	**-**	-
Deferred tax assets	20	**2,976**	2,234	**-**	-
Total Non-Current Assets		**403,708**	399,298	**320,779**	317,521
Current Assets					
Biological assets	21	**3,084**	1,608	**-**	-
Inventories	22	**72,302**	84,631	**-**	-
Derivative financial assets	23	**226**	807	**-**	-
Trade receivables	24 & 26	**39,999**	48,225	**60**	-
Other receivables, deposits and prepaid expenses	25 & 26	**61,937**	70,096	**6,735**	4,276
Amount owing by subsidiary companies	26	**-**	-	**1,974**	1,838
Amount owing by an associate company	27	**-**	2,095	**-**	67
Tax recoverable		**5,139**	13,318	**43**	-
Cash and bank balances	28	**438,605**	385,423	**33,915**	16,710
		621,292	606,203	**42,727**	22,891
Asset classified as held for sale	29	**-**	2,404	**-**	917
Total Current Assets		**621,292**	608,607	**42,727**	23,808
TOTAL ASSETS		**1,025,000**	1,007,905	**363,506**	341,329

Statements Of Financial Position
As At 31 March 2026
(cont'd)

	Note	The Group 2026 RM'000	The Group 2025 RM'000	The Company 2026 RM'000	The Company 2025 RM'000
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	30	**171,255**	171,255	**171,255**	171,255
Reserves	31	**610,415**	608,488	**168,258**	153,798
Equity attributable to equity holders of the Company		**781,670**	779,743	**339,513**	325,053
Non-controlling interests	16	**104,213**	103,172	**-**	-
Total Equity		**885,883**	882,915	**339,513**	325,053
Non-Current and Deferred Liabilities					
Hire purchase payables	33	**817**	881	**-**	-
Lease liabilities	34	**-**	385	**-**	-
Provision for retirement benefits	35	**16,927**	16,182	**1,968**	1,768
Other payables	36	**19,702**	7,850	**19,702**	7,850
Payables for KKPA Program	19	**478**	692	**-**	-
Deferred tax liabilities	20	**5,807**	6,273	**-**	-
Total Non-Current and Deferred Liabilities		**43,731**	32,263	**21,670**	9,618
Current Liabilities					
Trade payables	26 & 36	**38,952**	29,622	**-**	-
Other payables and accrued expenses	36	**30,113**	32,926	**2,271**	6,542
Amount owing to subsidiary companies	26	**-**	-	**52**	116
Contract liabilities	37	**9,769**	8,634	**-**	-
Derivative financial liabilities	23	**1,255**	37	**-**	-
Loans and borrowings	32	**10,000**	15,000	**-**	-
Hire purchase payables	33	**1,028**	858	**-**	-
Lease liabilities	34	**294**	1,421	**-**	-
Tax payables		**3,975**	4,229	**-**	-
Total Current Liabilities		**95,386**	92,727	**2,323**	6,658
Total Liabilities		**139,117**	124,990	**23,993**	16,276
TOTAL EQUITY AND LIABILITIES		**1,025,000**	1,007,905	**363,506**	341,329

Statements Of Changes In Equity

For The Financial Year Ended 31 March 2026

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
		Attributable to equity holders of the Company							
			Non-distributable			Distributable			
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		-	-	-	-	36,702	36,702	14,259	50,961
Other comprehensive loss		-	(24,913)	-	(3,482)	(1,287)	(29,682)	(10,215)	(39,897)
Total comprehensive (loss)/ income for the financial year		-	(24,913)	-	(3,482)	35,415	7,020	4,044	11,064
Dividends paid	39	-	-	-	-	(6,847)	(6,847)	-	(6,847)
As at 31 March 2025		171,255	(33,978)	(322)	12,178	630,610	779,743	103,172	882,915
As at 1 April 2025		171,255	(33,978)	(322)	12,178	630,610	779,743	103,172	882,915
Profit for the financial year		-	-	-	-	37,378	37,378	14,848	52,226
Other comprehensive (loss)/income		-	(28,568)	-	77	(113)	(28,604)	(12,299)	(40,903)
Total comprehensive (loss)/ income for the financial year		-	(28,568)	-	77	37,265	8,774	2,549	11,323
Dividends paid by:	39								
The Company		-	-	-	-	(6,847)	(6,847)	-	(6,847)
Subsidiary company		-	-	-	-	-	-	(1,508)	(1,508)
As at 31 March 2026		**171,255**	**(62,546)**	**(322)**	**12,255**	**661,028**	**781,670**	**104,213**	**885,883**

Statements Of Changes In Equity
For The Financial Year Ended 31 March 2026 (cont'd)

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 2024		171,255	15,660	130,465	317,380
Profit for the financial year		-	-	18,139	18,139
Other comprehensive loss		-	(3,482)	(137)	(3,619)
Total comprehensive (loss)/income for the financial year		-	(3,482)	18,002	14,520
Dividends paid	39	-	-	(6,847)	(6,847)
As at 31 March 2025		171,255	12,178	141,620	325,053
As at 1 April 2025		171,255	12,178	141,620	325,053
Profit for the financial year		-	-	21,340	21,340
Other comprehensive loss		-	(33)	-	(33)
Total comprehensive (loss)/income for the financial year		-	(33)	21,340	21,307
Dividends paid	39	-	-	(6,847)	(6,847)
As at 31 March 2026		**171,255**	**12,145**	**156,113**	**339,513**

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

Statements Of Cash Flows

For The Financial Year Ended 31 March 2026

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit before tax	**75,520**	72,263	**21,289**	18,139
Adjustments for:				
Depreciation of property, plant and equipment	**26,542**	24,722	**823**	672
Depreciation of right-of-use assets	**1,192**	1,381	**-**	-
Depreciation of investment properties	**40**	39	**-**	-
Unrealised loss on foreign exchange	**1,007**	1,241	**-**	-
Provision for retirement benefits	**2,219**	2,071	**200**	205
Net fair value change in biological assets	**(1,730)**	(305)	**-**	-
(Gain)/Loss on disposal of property, plant and equipment	**(447)**	1	**(62)**	-
Loss/(Gain) on disposal of asset classified as held for sale	**491**	-	**(996)**	-
Impairment loss on property, plant and equipment	**-**	7,710	**-**	-
Impairment loss on right-of-use assets	**-**	260	**-**	-
Gain on lease modification	**-**	(39)	**-**	-
Impairment losses on trade receivable	**176**	-	**-**	-
Reversal of impairment losses on trade receivable no longer required	**(48)**	(53)	**-**	-
Other investment written off	**-**	430	**-**	430
Inventories written off	**37**	38	**-**	-
Reversal of write-down of inventories	**(1,435)**	(717)	**-**	-
Finance costs	**1,197**	1,945	**426**	671
Property, plant and equipment written off	**215**	1,075	**-**	2
Share of results of an associate company	**-**	(515)	**-**	-
Waiver of specialist fee	**(15)**	(12)	**-**	-
Impairment loss on investments in subsidiary companies	**-**	-	**131**	-
Changes in fair value of derivatives	**1,799**	323	**-**	-
Dividend income	**(2,528)**	(2,823)	**(23,876)**	(20,835)
Interest income	**(14,685)**	(15,479)	**(1,475)**	(2,031)
Compensation income	**(22,246)**	-	**-**	-
Operating Profit/(Loss) Before Working Capital Changes	**67,301**	93,556	**(3,540)**	(2,747)
(Increase)/Decrease in:				
Inventories	**11,096**	(8,809)	**-**	-
Trade receivables	**8,178**	12,525	**(60)**	-
Other receivables, deposits and prepaid expenses	**11,880**	(17,960)	**(2,459)**	(3,326)
Amount owing by subsidiary companies	**-**	-	**(136)**	(307)
Amount owing by an associate company	**2,095**	(1,231)	**67**	(10)
Increase/(Decrease) in:				
Trade payables	**11,212**	(208)	**-**	-
Other payables and accrued expenses	**9,921**	(8,364)	**7,728**	(4,736)
Amount owing to subsidiary companies	**-**	-	**(64)**	44
Contract liabilities	**1,961**	2,664	**-**	-
Cash Generated From/(Used In) Operations	**123,644**	72,173	**1,536**	(11,082)
Retirement benefits paid	**(1,013)**	(851)	**-**	-
Income tax refunded	**10,586**	275	**8**	-
Income tax paid	**(27,798)**	(20,349)	**(39)**	-
Compensation received	**10,500**	-	**-**	-
Net Cash From/(Used In) Operating Activities	**115,919**	51,248	**1,505**	(11,082)

Statements Of Cash Flows
For The Financial Year Ended 31 March 2026 (cont'd)

	The Group		The Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES				
Interest income received	**13,567**	14,158	**902**	710
Dividends received	**2,528**	2,823	**23,876**	20,835
Proceeds from disposal of property, plant and equipment	**1,510**	16	**62**	-
Additions to investment properties	**(3,470)**	(4,123)	**-**	-
Additions to other investments	**(750)**	-	**-**	-
Additional investment in subsidiary companies	**-**	-	**(4,000)**	(5,400)
Proceeds from disposal of asset classified as held for sale	**1,952**	-	**1,952**	-
Placement of fixed deposit with maturities in excess of three months	**(75,758)**	-	**-**	-
Additions to property, plant and equipment [Note (i)]	**(35,116)**	(38,583)	**(245)**	(1,401)
Additions to KKPA program	**(145)**	(578)	**-**	-
Net Cash (Used In)/From Investing Activities	**(95,682)**	(26,287)	**22,547**	14,744
CASH FLOWS USED IN FINANCING ACTIVITIES				
Repayment of loans and borrowings - net	**(5,000)**	(5,900)	**-**	-
Repayment of hire purchase payables	**(1,140)**	(795)	**-**	-
Repayment of lease liabilities	**(1,555)**	(1,420)	**-**	-
Dividend paid by:				
- Subsidiary company to non-controlling interests	**(1,508)**	-	**-**	-
- The Company	**(6,847)**	(6,847)	**(6,847)**	(6,847)
Finance costs paid	**(771)**	(1,274)	**-**	-
Net Cash Used In Financing Activities	**(16,821)**	(16,236)	**(6,847)**	(6,847)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**3,416**	8,725	**17,205**	(3,185)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	**385,021**	396,575	**16,710**	19,895
EFFECT OF TRANSLATION DIFFERENCES	**(21,946)**	(20,279)	**-**	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR (NOTE 28)	**366,491**	385,021	**33,915**	16,710

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 Group		The Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Hire purchase	**1,457**	1,890	**-**	-
Cash payments	**35,116**	38,583	**245**	1,401
	36,573	40,473	**245**	1,401

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

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 3 July 2026.

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 the amendments to MFRS issued by the Malaysian Accounting Standards Board ("MASB") that are effective for annual periods beginning on or after 1 April 2025.

Amendments to:	
MFRS 121	Lack of Exchangeability

The adoption of the amendments to MFRS 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.

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[2]
MFRS 19	Subsidiaries without Public Accountability Disclosures[2]
Amendments to:	
MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	Annual Improvements to MFRS Standards - Volume 11[1]
MFRS 9 and MFRS 7	Amendments to Classification and Measurement of Financial Instruments[1]
MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity[1]
MFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
MFRS 121	Translation to a Hyperinflationary Presentation Currency[2]
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

[1] Effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2027, with earlier application permitted.
[3] Effective date deferred to a date to be determined and announced by MASB.

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

New Standards and Amendments to MFRSs in Issue But Not Yet Effective (cont'd)

The adoption of these New Standards and Amendments to MFRSs will have no material impact on the financial statements of the Group and of the Company in the period of initial application, except for MFRS 18.

<u>MFRS 18 *Presentation and Disclosure in Financial Statements*</u>

MFRS 18 replaces MFRS 101 *Presentation of Financial Statements*, carrying forward many of the requirements in MFRS 101 unchanged and complementing them with new requirements. In addition, some MFRS 101 paragraphs have been moved to MFRS 108 *Accounting Policies, Change in Accounting Estimates and Errors* and MFRS 7 *Financial Instruments: Disclosures*. Furthermore, the MASB has made minor amendments to MFRS 107 *Statement of Cash Flows* and MFRS 133 *Earnings per Share*.

MFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss;
- provide disclosures on management-defined performance measures (MPMs) in the notes to financial statements; and
- improve aggregation and disaggregation.

An entity is required to apply MFRS 18 for annual reporting period beginning on or after 1 January 2027, with earlier application permitted. The amendments to MFRS 107 and MFRS 133, as well as the revised MFRS 108 and MFRS 7, become effective when an entity applies MFRS 18. MFRS 18 requires retrospective application with specific transition provisions.

The adoption of MFRS 18 impact the financial statements of the Group and of the Company in the period of initial application. However, it is not practicable to provide a reasonable estimate of the effect of the adoption of the said MFRS 18 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.

Notes To The Financial Statements (cont'd)

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 and Other Income

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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

Revenue and Other Income (cont'd)

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.

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:

(i) 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.

Notes To The Financial Statements (cont'd)

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 financial 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 2026.

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:

(i) 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.

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.

Notes To The Financial Statements (cont'd)

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

Property, Plant and Equipment (cont'd)

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.

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 as they are expected to be harvested on a date not more than 12 months after the reporting date.

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.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate.

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*.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

Investment in an Associate (cont'd)

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.

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. 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.

Advances for KKPA Program

Advances for Kredit Koperasi Primer untuk Anggotanya ("KKPA") program in respect of a 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.

Notes To The Financial Statements (cont'd)

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

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.

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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

Financial Assets (cont'd)

(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.

<u>Impairment of financial assets</u>

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.

Notes To The Financial Statements (cont'd)

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

Financial Assets (cont'd)

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'.

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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

Financial Liabilities and Equity Instruments (cont'd)

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.

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.

Notes To The Financial Statements (cont'd)

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:

(a) **Impairment of property, plant and equipment**

As referred to in Note 13:

(i) 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 manufacturing plant of SAI are located expired on 31 March 2026, which is significantly shorter than the remaining useful lives of the property, plant and equipment on the land. Subsequent to the financial year end, SAI entered into a temporary and provisional lease agreement with SRM for the period from 1 April 2026 to 31 December 2026. Pursuant to the said temporary and provisional lease agreement, both SAI and SRM agreed that a formal lease agreement for a term of three years, incorporating additional and more comprehensive terms and conditions, shall be prepared and executed. 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 temporary and provisional lease agreement will be successfully renewed upon its expiry on 31 December 2026.

(ii) On 31 October 1995, Noble Interest Sdn. Bhd. ("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 RM15,039,826 (2025: RM15,627,547), which is constructed on the said land.

(b) **Recognition of other income on settlement sum B under the consent judgement relating to Pembinaan Gejati Sdn. Bhd. ("PGET"), a wholly-owned subsidiary of the Company**

During the current financial year, the Group recognised other income of RM22,246,000 in relation to settlement sum B under the consent judgement relating to PGET. The details are disclosed in Notes 8, 12, 25 and 45 (i).

In determining the basis for the recognition of the other income, the Directors considered the terms and conditions of the consent judgement. The Directors also exercised judgement in assessing the recoverability of the amount receivable from the defendant.

(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.

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)

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.

As at the end of the reporting period, impairment losses on trade receivables provided by the Group are as follows:

	The Group	
	2026	**2025**
	RM'000	**RM'000**
Trade receivables	**2,160**	2,114

(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:

	The Group	
	2026	**2025**
	RM'000	**RM'000**
Deferred tax assets	**2,976**	2,234

(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 Company	
	2026	**2025**
	RM'000	**RM'000**
Impairment losses on investments in subsidiary companies	**7,873**	7,742

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)

(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.

(e) **Impairment of non-financial assets**

In assessing impairment indicators, the Group identified the oleochemical manufacturing plant of SAI as a cash-generating unit ("CGU"), comprising property, plant and equipment and right-of-use assets. A significant year-on-year decline in plant utilisation, coupled with escalating operating losses, indicated that the CGU's assets may be impaired.

Accordingly, the Group performed an impairment assessment comparing the CGU's carrying amount against its recoverable amount. While the recoverable amount is defined as the higher of value in use ("VIU") and fair value less costs to sell ("FVLCS"), the Group changed the measurement basis from VIU to FVLCS during the year. Due to ongoing operating losses and operational uncertainties, the value expected from continuing operations was determined to be lower than the CGU's estimated net market value. Consequently, FVLCS was adopted as the higher and more reflective measure of the recoverable amount.

The fair value of the CGU as at 31 March 2026 was determined via a valuation performed by an independent professional valuer using the depreciated replacement cost method. Further details of this assessment are disclosed in Note 13.

As at the end of the reporting period, impairment losses on non-financial assets provided by the Group are as follows:

	The Group	
	2026	**2025**
	RM'000	**RM'000**
Property, plant and equipment	**7,710**	7,710
Right-of-use assets	**-**	260
	7,710	7,970

Notes To The Financial Statements (cont'd)

5. REVENUE

	The Group 2026 RM'000	The Group 2025 RM'000	The Company 2026 RM'000	The Company 2025 RM'000
Revenue from contracts with customers:				
Sale of plantation products and Produces	**770,505**	945,602	**-**	-
Healthcare services	**125,849**	122,539	**-**	-
Warehousing and bulk conveyor operations	**8,399**	8,558	**-**	-
Administrative services fees	**11,364**	10,770	**-**	-
Management fees	**225**	238	**7,380**	6,515
Rental income	**3**	-	**-**	-
	916,345	1,087,707	**7,380**	6,515
Revenue from other sources:				
Dividend income	**2,528**	2,823	**23,876**	20,835
	918,873	1,090,530	**31,256**	27,350

	The Group 2026 RM'000	The Group 2025 RM'000	The Company 2026 RM'000	The Company 2025 RM'000
Timing of revenue recognition for revenue from contract with customers:				
Point in time	**904,756**	1,076,699	**-**	-
Over time	**11,589**	11,008	**7,380**	6,515
	916,345	1,087,707	**7,380**	6,515

6. INTEREST INCOME

	The Group 2026 RM'000	The Group 2025 RM'000	The Company 2026 RM'000	The Company 2025 RM'000
Interest income on fixed deposits and short-term placements	**13,567**	14,158	**902**	710
Accretion of interest on other payable	**573**	1,321	**573**	1,321
Unwinding of interest on other receivable (Note 45 (i))	**545**	-	**-**	-
	14,685	15,479	**1,475**	2,031

Notes To The Financial Statements (cont'd)

7. DIRECTORS' REMUNERATION

	The Group		The Company	
	2026	**2025**	**2026**	**2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Directors of the Company				
Executive Directors:				
Fees	**268**	262	**200**	180
Other emoluments	**2,001**	1,513	**1,748**	1,513
Contributions to EPF	**165**	118	**165**	118
	2,434	1,893	**2,113**	1,811
Non-executive Directors:				
Fees	**500**	475	**500**	450
Other emoluments	**50**	50	**50**	50
	550	525	**550**	500
	2,984	2,418	**2,663**	2,311
Directors of the subsidiary companies				
Fees	**106**	114	**-**	-
Other emoluments	**1,452**	1,526	**-**	-
Contributions to EPF	**111**	102	**-**	-
	1,669	1,742	**-**	-
Total	**4,653**	4,160	**2,663**	2,311
Estimated monetary value of benefits-in-kind:				
- Directors of the Company	**86**	81	**86**	81
- Directors of the subsidiary companies	**30**	32	**-**	-
	116	113	**86**	81

8. PROFIT BEFORE TAX

Profit before tax is arrived at after crediting/(charging) the following:

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Changes in fair value of derivatives	**(1,799)**	(323)	**-**	-
Rental income	**1,094**	1,095	**69**	90
Loss on foreign exchange (net):				
Unrealised	**(1,007)**	(1,241)	**-**	-
Realised	**(2,931)**	(1,526)	**-**	-
Fees paid/payable to external auditors:				
Statutory audit:				
Auditors of the Company	**(483)**	(425)	**(125)**	(120)
Other auditors	**(141)**	(153)	**-**	-
Non-audit services:				
Auditors of the Company	**(10)**	(10)	**(10)**	(10)
Gain/(Loss) on disposal of property, plant and equipment	**447**	(1)	**62**	-
Employee benefits expenses	**(83,496)**	(83,729)	**(6,219)**	(4,849)
Impairment losses on trade receivables (Note 24)	**(176)**	-	**-**	-
Reversal of impairment losses on trade receivables no longer required (Note 24)	**48**	53	**-**	-
Net fair value change in biological assets (Note 21)	**1,730**	305	**-**	-
Other investment written off (Note 18)	**-**	(430)	**-**	(430)
Compensation income* (Note 45 (i))	**22,246**	20,950	**-**	-
Compensation paid to lessee*	**-**	(15,000)	**-**	-
Inventories written off (Note 22)	**(37)**	(38)	**-**	-
Reversal of write-down of inventories (Note 22)	**1,435**	717	**-**	-
Impairment loss on:				
Property, plant and equipment (Note 13)	**-**	(7,710)	**-**	-
Right-of-use assets (Note 14)	**-**	(260)	**-**	-
Property, plant and equipment written off	**(215)**	(1,075)	**-**	(2)
Waiver of specialist fee	**15**	12	**-**	-
Gain on lease modification	**-**	39	**-**	-
(Loss)/Gain on disposal of asset classified as held for sale	**(491)**	-	**996**	-
Impairment loss in investments in subsidiary companies (Note 16)	**-**	-	**(131)**	-

* In prior financial year, the Group entered into two consent judgements:

- 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 ("Settlement sum A"). The compensation income and compensation paid to lessee had been recognised in prior financial year.

- The second consent judgement 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 ("Settlement sum B"). The compensation income has been recognised in the current financial year. Further details are disclosed in Note 45 (i).

Notes To The Financial Statements (cont'd)

8. PROFIT BEFORE TAX (CONT'D)

Included in the employee benefits expenses are as follows:

	The Group		The Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Contributions to EPF	**6,631**	6,294	**669**	524
Provision for retirement benefits (Note 35)	**2,219**	2,071	**200**	205

9. FINANCE COSTS

	The Group		The Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Interest expense on:				
Hire purchase payables (Note 33 and Note 44)	**168**	150	**-**	-
Lease liabilities (Note 34 and Note 44)	**57**	113	**-**	-
Loans and borrowings (Note 32 and Note 44)	**546**	1,011	**-**	-
Unwinding of discount on other payables	**426**	671	**426**	671
	1,197	1,945	**426**	671

10. INCOME TAX EXPENSE/(CREDIT)

	The Group		The Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Estimated tax payable:				
Current financial year	**25,402**	21,895	**-**	-
Overprovision in prior financial years	**(646)**	(96)	**(51)**	-
	24,756	21,799	**(51)**	-
Deferred tax (Note 20):				
Current financial year	**(1,341)**	(804)	**-**	-
(Over)/Underprovision in prior financial years	**(121)**	307	**-**	-
	(1,462)	(497)	**-**	-
	23,294	21,302	**(51)**	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2025: 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/(CREDIT) (CONT'D)

A reconciliation of income tax expense/(credit) at the applicable statutory income tax rate to income tax expense/(credit) at the effective income tax rate is as follows:

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Profit before tax	**75,520**	72,263	**21,289**	18,139
Tax at the Malaysian statutory income tax rate of 24%	**18,125**	17,343	**5,109**	4,353
Different tax rates in other jurisdictions	**(1,201)**	(1,177)	**-**	-
Tax effects of:				
Non-deductible expenses	**2,673**	1,563	**479**	294
Non-taxable income	**(5,074)**	(4,131)	**(6,338)**	(5,171)
Realisation of deferred tax assets previously not recognised	**-**	(2)	**-**	-
Deferred tax assets not recognised	**9,642**	7,495	**750**	524
Deferred tax assets on the cost of land deemed surrendered	**(104)**	-	**-**	-
(Over)/Underprovision in prior financial years:				
Current tax	**(646)**	(96)	**(51)**	-
Deferred tax	**(121)**	307	**-**	-
Income tax expense/(credit)	**23,294**	21,302	**(51)**	-

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 RM7,694,690 (2025: RM7,683,170) 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 (2025: 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 (2025: 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 (2025: 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/(CREDIT) (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 financial year end, 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 Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Deductible temporary differences arising from:				
Inventories	**133**	1,568	**-**	-
Financial derivatives	**1,029**	(770)	**-**	-
Provision for retirement benefits	**10,906**	10,617	**1,968**	1,768
Trade receivables	**223**	271	**-**	-
Other receivables	**785**	10	**-**	-
Other payables and accrued expenses	**3,290**	3,091	**951**	893
Property, plant and equipment	**(785)**	(2,276)	**-**	-
Right-of-use assets	**-**	(684)	**-**	-
Lease liabilities	**-**	945	**-**	-
Unabsorbed capital allowances	**15,963**	13,707	**3,255**	3,077
Unused tax losses	**127,023**	91,912	**25,114**	22,425
	158,567	118,391	**31,288**	28,163

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 Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 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	**16,562**	16,562	**1,748**	1,748
Year of assessment 2036	**35,111**	-	**2,689**	-
	127,023	91,912	**25,114**	22,425

The unabsorbed capital allowances do not expire under the current tax legislation and is available for offset against future taxable profits indefinitely.

Notes To The Financial Statements (cont'd)

11. EARNINGS PER SHARE

Basic earnings per ordinary 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.

	The Group	
	2026	**2025**
Profit for the financial year attributable to ordinary equity holders of the Company (RM'000)	**37,378**	36,702
Number of ordinary shares in issue ('000)	**136,934**	136,934
Basic and diluted earnings per ordinary share (sen)	**27.30**	26.80

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	
	2026 **RM'000**	**2025** **RM'000**
Freehold land at cost	**134,285**	134,285
Development costs	**5,583**	5,583
Derecognition of land cost (Note 45 (i))	**(434)**	-
	139,434	139,868

Land held for property development comprises a land bank which is being held for future development.

Notes To The Financial Statements (cont'd)

13. PROPERTY, PLANT AND EQUIPMENT

The Group Cost	As at 1 April 2025 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 2026 RM'000
Leasehold land	2,973	-	-	-	-	(333)	**2,640**
Freehold land	4,950	-	-	-	-	-	**4,950**
Freehold office	8,544	-	-	-	-	-	**8,544**
Factory buildings	13,960	-	-	-	-	(149)	**13,811**
Palm oil mills	53,641	-	-	-	120	(6,011)	**47,750**
Hospital building	29,386	-	-	-	-	-	**29,386**
Medical equipment	59,371	10,459	-	(206)	-	-	**69,624**
Plant, machinery, equipment and electrical installation	176,624	2,476	(113)	(250)	1,557	(4,452)	**175,842**
Motor vehicles	15,776	2,396	(2,771)	-	-	(813)	**14,588**
Office equipment, furniture and fittings	42,305	4,853	(13)	(141)	266	(286)	**46,984**
Staff quarters cum office block	13,573	387	-	-	1,470	(1,618)	**13,812**
Land improvements	14,352	762	-	-	161	(1,655)	**13,620**
Construction in-progress:							
Plant and machinery	2,025	2,434	-	-	(1,024)	-	**3,435**
Palm oil mills	1,231	1,518	-	(66)	(2,550)	(80)	**53**
Renovation	7,038	7,376	-	-	-	-	**14,414**
Bearer plants	67,579	3,912	(896)	-	-	(7,531)	**63,064**
Total	513,328	36,573	(3,793)	(663)	-	(22,928)	**522,517**

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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	-	-	-	-	(333)	2,973
Freehold land	4,950	-	-	-	-	-	4,950
Freehold office	8,544	-	-	-	-	-	8,544
Factory buildings	14,374	-	-	(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)	-	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)	-	-	(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	-	-	9	(1,308)	13,573
Land improvements	14,045	1,702	-	-	105	(1,500)	14,352
Construction in-progress:							
Plant and machinery	944	1,081	-	-	-	-	2,025
Palm oil mills	1,678	868	-	-	(1,159)	(156)	1,231
Renovation	5,612	1,430	-	(4)	-	-	7,038
Bearer plants	65,791	8,650	-	-	-	(6,862)	67,579
Total	532,046	40,473	(371)	(37,848)	-	(20,972)	513,328

Notes To The Financial Statements (cont'd)

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group Accumulated Depreciation	As at 1 April 2025 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 2026 RM'000
Leasehold land	1,573	78	-	-	-	(164)	**1,487**
Freehold land	-	-	-	-	-	-	**-**
Freehold office	1,842	171	-	-	-	-	**2,013**
Factory buildings	6,240	351	-	-	-	(79)	**6,512**
Palm oil mills	34,443	1,836	-	-	-	(3,952)	**32,327**
Hospital building	13,758	588	-	-	-	-	**14,346**
Medical equipment	38,611	6,153	-	(205)	-	-	**44,559**
Plant, machinery, equipment and electrical installation	132,914	7,420	(280)	(115)	-	(2,899)	**137,040**
Motor vehicles	9,690	1,755	(2,441)	-	-	(416)	**8,588**
Office equipment, furniture and fittings	29,855	3,800	(9)	(128)	-	(189)	**33,329**
Staff quarters cum office block	7,001	702	-	-	-	(821)	**6,882**
Land improvements	6,382	555	-	-	-	(744)	**6,193**
Construction in-progress:							
Plant and machinery	-	-	-	-	-	-	**-**
Palm oil mills	-	-	-	-	-	-	**-**
Renovation	2,560	721	-	-	-	-	**3,281**
Bearer plants	15,126	2,412	-	-	-	(1,718)	**15,820**
Total	299,995	26,542	(2,730)	(448)	-	(10,982)	**312,377**

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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
Leasehold land	1,641	87	-	-	-	(155)	1,573
Freehold land	-	-	-	-	-	-	-
Freehold office	1,671	171	-	-	-	-	1,842
Factory buildings	6,054	362	-	(107)	-	(69)	6,240
Palm oil mills	36,153	2,026	-	-	-	(3,736)	34,443
Hospital building	13,174	618	-	-	(34)	-	13,758
Medical equipment	34,246	5,459	-	(1,062)	(32)	-	38,611
Plant, machinery, equipment and electrical installation	162,690	7,555	(128)	(34,619)	34	(2,618)	132,914
Motor vehicles	8,844	1,455	(224)	-	-	(385)	9,690
Office equipment, furniture and fittings	27,789	3,178	(2)	(983)	22	(149)	29,855
Staff quarters cum office block	7,175	566	-	-	10	(750)	7,001
Land improvements	6,430	629	-	-	-	(677)	6,382
Construction in-progress:							
Plant and machinery	-	-	-	-	-	-	-
Palm oil mills	-	-	-	-	-	-	-
Renovation	2,086	476	-	(2)	-	-	2,560
Bearer plants	14,460	2,140	-	-	-	(1,474)	15,126
Total	322,413	24,722	(354)	(36,773)	-	(10,013)	299,995

Notes To The Financial Statements (cont'd)

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group Accumulated Impairment	As at 1 April 2024 RM'000	Charge for the financial year RM'000	As at 1 April 2025 RM'000	Charge for the financial year RM'000	As at 31 March 2026 RM'000
Factory buildings	-	1,944	1,944	-	**1,944**
Plant, machinery, equipment and electrical installation	-	5,766	5,766	-	**5,766**
Total	-	7,710	7,710	-	**7,710**

The Group	Carrying Amount 2026 RM'000	2025 RM'000
Leasehold land	**1,153**	1,400
Freehold land	**4,950**	4,950
Freehold office	**6,531**	6,702
Factory buildings	**5,355**	5,776
Palm oil mills	**15,423**	19,198
Hospital building	**15,040**	15,628
Medical equipment	**25,065**	20,760
Plant, machinery, equipment and electrical installation	**33,036**	37,944
Motor vehicles	**6,000**	6,086
Office equipment, furniture and fittings	**13,655**	12,450
Staff quarters cum office block	**6,930**	6,572
Land improvements	**7,427**	7,970
Construction in-progress:		
Plant and machinery	**3,435**	2,025
Palm oil mills	**53**	1,231
Renovation	**11,133**	4,478
Bearer plants	**47,244**	52,453
Total	**202,430**	205,623

The Company	Freehold office RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Renovation RM'000	Total RM'000
Cost					
As at 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 2025/1 April 2025	3,593	3,734	2,398	1,605	11,330
Additions	-	214	31	-	245
Disposals	-	(1,222)	(5)	-	(1,227)
As at 31 March 2026	**3,593**	**2,726**	**2,424**	**1,605**	**10,348**

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	Freehold office RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Renovation RM'000	Total RM'000
Accumulated Depreciation					
As at 1 April 2024	994	1,940	1,627	1,197	5,758
Charge for the financial year	72	343	199	58	672
Write offs	-	-	-	(2)	(2)
As at 31 March 2025/1 April 2025	1,066	2,283	1,826	1,253	6,428
Charge for the financial year	72	508	188	55	823
Disposals	-	(1,222)	(5)	-	(1,227)
As at 31 March 2026	**1,138**	**1,569**	**2,009**	**1,308**	**6,024**
Carrying Amount					
As at 31 March 2026	**2,455**	**1,157**	**415**	**297**	**4,324**
As at 31 March 2025	2,527	1,451	572	352	4,902

(i) A factory building and oleochemical manufacturing 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 lease agreement between SRM and SAI expired on 31 March 2026, which is significantly shorter than the remaining useful life of the property, plant and equipment on the land. Subsequent to the financial year end, SAI entered into a temporary and provisional lease agreement with SRM for the period from 1 April 2026 to 31 December 2026. Pursuant to the said temporary and provisional lease agreement, both SAI and SRM agreed that a formal lease agreement for a term of three years, incorporating additional and more comprehensive terms and conditions, shall be prepared and executed. 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 temporary and provisional lease agreement will be successfully renewed upon its expiry on 31 December 2026.

In the prior financial year, as a result of the poor performance of the oleochemical manufacturing segment, the Group carried out an impairment assessment and review of the recoverable amount of the CGU. The review led to the recognition of an impairment loss of RM7,970,000 in the profit or loss, which was allocated to property, plant and equipment and right-of-use assets amounting to RM7,710,000 and RM260,000 respectively. The CGU 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% per annum. The impairment losses have been included in the profit or loss under the 'Other operating expenses' line item in the prior financial year.

In the current financial year, in view of the continued poor performance of the oleochemical manufacturing segment, the Group continued to assess the recoverable amount of the CGU for impairment. The Group changed the measurement basis from VIU to FVLCS during the year. Due to ongoing operating losses and operational uncertainties, the value expected from continuing operations was determined to be lower than the CGU's estimated net market value. Consequently, FVLCS was adopted as the higher and more reflective measure of the recoverable amount.

The fair value of the CGU as at 31 March 2026 was determined via a valuation performed by an independent professional valuer using the depreciated replacement cost method. Under this method, the current replacement cost of the assets, including installation costs, is estimated and adjusted for economic, functional, technological and physical depreciation.

The recoverable amount determined based on FVLCS was RM26,000,000 (categorised as Level 3 in the fair value hierarchy), which exceeded the carrying amount of the property, plant and equipment of the Group's oleochemical manufacturing business of RM17,868,000. However, no reversal of impairment loss was recognised during the financial year as the higher recoverable amount arose solely from the change in the measurement basis from VIU to FVLCS, rather than from an improvement in the underlying performance or recoverability of the oleochemical manufacturing segment.

Notes To The Financial Statements (cont'd)

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(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 RM15,039,826 (2025: RM15,627,547), 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 RM163,034,179 (2025: RM161,888,918) and RM3,139,205 (2025: RM3,640,946) 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 RM2,966,728 (2025: RM2,501,133) are pledged to the bank as described in Note 33.

14. RIGHT-OF-USE ASSETS

The Group	Land RM'000	Building RM'000	Total RM'000
Cost			
As at 1 April 2024	8,485	1,104	9,589
Addition	-	63	63
Lease modification	124	-	124
Derecognition[1]	-	(152)	(152)
As at 31 March 2025/1 April 2025	8,609	1,015	9,624
Lease modification	-	43	43
Derecognition[1]	(5,976)	(206)	(6,182)
As at 31 March 2026	**2,633**	**852**	**3,485**
Accumulated Depreciation			
As at 1 April 2024	5,965	749	6,714
Charge for the financial year	1,172	209	1,381
Derecognition[1]	-	(152)	(152)
Effects of foreign exchange translation	-	2	2
As at 31 March 2025/1 April 2025	7,137	808	7,945
Charge for the financial year	1,035	157	1,192
Derecognition[1]	(5,716)	(206)	(5,922)
Effects of foreign exchange translation	-	5	5
As at 31 March 2026	**2,456**	**764**	**3,220**

Notes To The Financial Statements (cont'd)

14. RIGHT-OF-USE ASSETS (CONT'D)

The Group	Land RM'000	Building RM'000	Total RM'000
Accumulated Impairment			
As at 1 April 2024	-	-	-
Charge for the financial year	260	-	260
As at 31 March 2025/1 April 2025	260	-	260
Derecognition[1]	(260)	-	(260)
As at 31 March 2026	**-**	**-**	**-**
Carrying Amount			
As at 31 March 2026	**177**	**88**	**265**
As at 31 March 2025	1,212	207	1,419

[1] 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 1 to 10 years (2025: 2 to 10 years). The maturity analysis of lease liabilities is presented in Note 34.

The total cash outflow of the Group and the Company for leases amount to RM1,962,000 (2025: RM2,106,000) and RM Nil (2025: RM5,000) respectively.

Amounts recognised in statements of profit or loss and other comprehensive income

	The Group		The Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Depreciation expense on right-of-use assets	**1,192**	1,381	**-**	-
Finance costs on lease liabilities (Note 34)	**57**	113	**-**	-
Expense relating to short-term leases	**111**	177	**-**	-
Expense relating to leases of low-value assets	**239**	396	**-**	5
	1,599	2,067	**-**	5

15. INVESTMENT PROPERTIES

	The Group	
	2026 RM'000	**2025 RM'000**
Cost		
At beginning of the financial year	**12,089**	7,966
Additions	**3,470**	4,123
At end of the financial year	**15,559**	12,089
Accumulated Depreciation		
At beginning of the financial year	**55**	16
Additions	**40**	39
At end of the financial year	**95**	55
Carrying Amount	**15,464**	12,034
Fair value	**17,600**	17,600

Notes To The Financial Statements (cont'd)

15. INVESTMENT PROPERTIES (CONT'D)

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 (2025: April 2025), using the comparison method, involving comparison to other similar properties in the same location to arrive at a fair value of RM15,600,000 (2025: RM15,600,000) 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 (2025: RM2,000,000) based on directors' assessment of the current prices in an active market for the property within the vicinity.

	The Group	
	2026 RM'000	2025 RM'000
Rental income earned	**3**	-
Direct operating expenses from investment properties that generated rental income	**53**	76
Direct operating expenses from investment properties that did not generate rental income	**84**	-

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 2026	**-**	**-**	**17,600**	**17,600**
As at 31 March 2025	-	-	17,600	17,600

There is no transfer of fair value of hierarchy during the financial year.

16. INVESTMENTS IN SUBSIDIARY COMPANIES

	The Company	
	2026 RM'000	2025 RM'000
Unquoted shares at cost		
At beginning of the financial year	**282,241**	276,841
Additions	**4,000**	5,400
At end of the financial year	**286,241**	282,241
Less: Accumulated impairment losses:		
At beginning of the financial year	**7,742**	7,742
Additions	**131**	-
At end of the financial year	**7,873**	7,742
Total	**278,368**	274,499

16. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

The Directors have reviewed the Company's investments in subsidiary companies for indications of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. The recoverable amounts of the investments in subsidiary companies are assessed by reference to the FVLCS of the underlying assets. It involves estimation in determining the recoverable amounts.

During the financial year, the Company recognised an impairment loss on its investments in subsidiary companies amounting to RM131,000 (categorised as Level 3 in the fair value hierarchy) in profit or loss and other comprehensive income. The impairment losses arose mainly due to a decline in the recoverable amount.

These investments in subsidiary companies mainly belonged to the Group's "Investment & Services" reportable segment.

The details of subsidiary companies are as follows:

Direct subsidiary companies	Principal place of business/ Country of incorporation	Equity interest 2026	Equity interest 2025	Principal 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
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

* The subsidiary companies are audited by firms of auditors other than Deloitte Malaysia PLT.

Notes To The Financial Statements (cont'd)

16. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

During the financial year, the Company subscribed for a total of 4,000,000 ordinary shares in its wholly-owned subsidiary, SAI.

In the previous 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 SAI,
- 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 RM4,000,000 (2025: RM5,400,000). Additionally, in the previous financial year, 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 had 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 the remaining 10% equity interest in FVD, for a total cash consideration of RM23,500,000. Following the completion of the acquisition, FVD became a wholly-owned subsidiary of the Company.

Information about the composition of the Group at the end of the reporting period is as follows:

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiary companies	
		2026	**2025**
Manufacturing and marketing of oleochemical products	Malaysia	**1**	1
Managing and operating of 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	Number of non-wholly-owned subsidiary companies	
		2026	**2025**
Sale of oil palm fruit, crude palm oil and palm kernel	Indonesia	**2**	2

16. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

The table below shows details of non-wholly-owned subsidiary companies of the Group that have material non-controlling interests:

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 interests RM'000	Total comprehensive (loss)/income allocated to non-controlling interests RM'000	Carrying amount of non-controlling interests RM'000
2026					
PT Mustika Agro Sari (Held through Firstview Development Sdn. Bhd.)	Indonesia	**30.0%**	**4,492**	**(2,542)**	**56,745**
PT Wanasari Nusantara (Held through Firstview Development Sdn. Bhd. and PT Mustika Agro Sari)	Indonesia	**30.0%**	**10,356**	**5,091**	**47,468**
Total			**14,848**	**2,549**	**104,213**
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. and PT Mustika Agro Sari)	Indonesia	30.0%	8,824	4,896	42,377
Total			14,259	4,044	103,172

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	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Statement of financial position				
Current assets	**190,547**	201,192	**98,692**	74,875
Non-current assets	**78,696**	73,286	**80,994**	89,783
Current liabilities	**14,491**	12,606	**19,503**	21,335
Non-current liabilities	**3,666**	3,487	**3,515**	3,528
Equity attributable to equity holders of the Company	**194,341**	197,590	**109,200**	97,418
Non-controlling interests	**56,745**	60,795	**47,468**	42,377

Notes To The Financial Statements (cont'd)

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	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Statement of profit or loss and other comprehensive income				
Revenue	**219,735**	233,479	**282,150**	301,241
Other expenses	**(202,599)**	(212,231)	**(239,196)**	(263,603)
Profit before tax	**17,136**	21,248	**42,954**	37,638
Income tax expense	**(2,164)**	(3,130)	**(8,433)**	(8,226)
Profit for the financial year	**14,972**	18,118	**34,521**	29,412
Profit attributable to equity holders of the Company	**10,480**	12,683	**24,165**	20,588
Profit attributable to non-controlling interests	**4,492**	5,435	**10,356**	8,824
Profit for the financial year	**14,972**	18,118	**34,521**	29,412
Other comprehensive loss for the financial year	**(23,444)**	(20,957)	**(17,553)**	(13,093)
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	**(5,930)**	(1,987)	**11,877**	11,423
Non-controlling interests	**(2,542)**	(852)	**5,091**	4,896
Total comprehensive (loss)/income for the financial year	**(8,472)**	(2,839)	**16,968**	16,319

	PT Mustika Agro Sari		PT Wanasari Nusantara	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Statement of cash flows				
Net cash from operating activities	**25,560**	6,367	**50,859**	26,077
Net cash used in investing activities	**(69,017)**	(851)	**(16,528)**	(15,555)
Net cash used in financing activities	**(5,269)**	(186)	**(721)**	(368)
Net cash (outflow)/inflow	**(48,726)**	5,330	**33,610**	10,154
Dividend paid to non-controlling interests	**(1,508)**	-	**-**	-

17. INVESTMENT IN AN ASSOCIATE COMPANY

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Unquoted shares, at cost				
At beginning of the financial year	-	2,977	-	917
Share of post-acquisition reserve				
At beginning of the financial year	-	(1,088)	-	-
Share of results of an associate company	-	515	-	-
		(573)		-
Transfer to asset classified as held for sale (Note 29)	-	(2,404)	-	(917)
At end of the financial year	-	-	-	-

Associate company	Principal place of business/ Country of incorporation	Proportion of ownership interest 2026	Proportion of ownership interest 2025	Principal activities
PKE (Malaysia) Sdn. Berhad .	Malaysia	-	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.

	2026 RM'000	2025 RM'000
PKE (Malaysia) Sdn. Berhad		
Statement of financial position		
Current assets	-	6,317
Non-current assets	-	22,987
Current liabilities	-	(4,552)
Non-current liabilities	-	(18,426)
Net assets	-	6,326
Statement of profit or loss and other comprehensive income		
Revenue	-	13,275
Expenses	-	(11,938)
Profit for the financial year	-	1,337
Remeasurement of defined benefit obligations	-	(63)
Total comprehensive income for the financial year	-	1,274
Group's share of net assets	-	2,436
Group's share of results of an associate company	-	515
Group's share of other comprehensive loss of an associate company	-	(24)

Notes To The Financial Statements (cont'd)

18. OTHER INVESTMENTS

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Shares in Malaysia:				
Quoted shares - at fair value	**38,947**	38,120	**38,087**	38,120

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
At beginning of the financial year	**38,120**	42,032	**38,120**	42,032
Addition	**750**	-	**-**	-
Investment written off (Note 8)	**-**	(430)	**-**	(430)
Changes in fair value	**77**	(3,482)	**(33)**	(3,482)
At end of the financial year	**38,947**	38,120	**38,087**	38,120

19. PAYABLES FOR KREDIT KOPERASI PRIMER UNTUK ANGGOTANYA ("KKPA") PROGRAM

	The Group	
	2026 RM'000	2025 RM'000
At beginning of the financial year	**(692)**	(1,382)
Movement during the financial year	**145**	578
Effects of foreign exchange translation	**69**	112
At end of the financial year	**(478)**	(692)

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 Payables 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	
	2026	**2025**
	RM'000	**RM'000**
At beginning of the financial year	**(4,039)**	(3,875)
Credited/(Charged) to profit or loss (Note 10):		
Property, plant and equipment	**795**	464
Right-of-use assets	**576**	(585)
Biological assets	**417**	301
Land held for property development	**104**	-
Trade receivables	**23**	(16)
Other payables and accrued expenses	**167**	(192)
Lease liabilities	**(633)**	567
Provision for retirement benefits	**200**	191
Unabsorbed capital allowances	**(187)**	(233)
	1,462	497
Charged to other comprehensive income:		
Provision for retirement benefits	**(102)**	(585)
Translation of foreign operations	**(152)**	(76)
At end of the financial year	**(2,831)**	(4,039)

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 Group	
	2026	**2025**
	RM'000	**RM'000**
Deferred tax assets	**2,976**	2,234
Deferred tax liabilities	**(5,807)**	(6,273)
	(2,831)	(4,039)

Notes To The Financial Statements (cont'd)

20. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Deferred tax assets/(liabilities) provided in the financial statements are in respect of the tax effects of the following:

	The Group	
	2026	**2025**
	RM'000	**RM'000**
Deferred tax assets (before offsetting)		
Temporary differences arising from:		
Biological assets	**432**	41
Land held for property development	**104**	-
Trade receivables	**465**	442
Other payables and accrued expenses	**1,215**	1,077
Provision for retirement benefits	**1,298**	1,200
Lease liabilities	**241**	874
Unabsorbed capital allowances	**4**	191
Unused tax losses	**28**	28
	3,787	3,853
Offsetting	**(811)**	(1,619)
Deferred tax assets (after offsetting)	**2,976**	2,234
Deferred tax liabilities (before offsetting)		
Temporary differences arising from:		
Property, plant and equipment	**(6,392)**	(7,090)
Right-of-use assets	**(226)**	(802)
	(6,618)	(7,892)
Offsetting	**811**	1,619
Deferred tax liabilities (after offsetting)	**(5,807)**	(6,273)

21. BIOLOGICAL ASSETS

	The Group	
	2026	**2025**
	RM'000	**RM'000**
At beginning of the financial year	**1,608**	1,444
Net fair value changes (Note 8)	**1,730**	305
Effects of foreign exchange translation	**(254)**	(141)
At end of the financial year	**3,084**	1,608

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% (2025: 10%), the impact of the fair value of FFB would be as follows:

	The Group	
	2026	**2025**
	RM'000	**RM'000**
FFB tonnage increase by 10% (2025: 10%)	**308**	161
FFB tonnage decrease by 10% (2025: 10%)	**(308)**	(161)

During the financial year, the Group harvested approximately 107,031 tonnes of FFB (2025: 91,617 tonnes). The quantity of unharvested FFB of the Group as at 31 March 2026 included in the fair valuation of FFB was 5,277 tonnes (2025: 3,457 tonnes).

Notes To The Financial Statements (cont'd)

22. INVENTORIES

	The Group	
	2026 RM'000	2025 RM'000
At cost and net realisable value:		
Raw materials	**3,319**	12,507
Work-in-progress	**29,911**	22,447
Finished goods	**23,711**	30,115
Medical and surgical supplies	**3,711**	3,333
Consumables	**11,650**	16,229
Total	**72,302**	84,631

For the financial year ended 31 March 2026, cost of inventories recognised as an expense of the Group amounted to RM710,762,000 (2025: RM851,817,000).

The cost of inventories recognised is after taking into consideration a reversal of write down of RM1,435,000 (2025: RM717,000) on the inventories to net realisable value is due to fluctuation of market condition and inventories written off of RM37,000 (2025: RM38,000).

23. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	The Group	
	2026 RM'000	2025 RM'000
Derivative financial assets		
Commodity future contracts	**226**	803
Foreign currency forward contracts	**-**	4
	226	807
Derivative financial liabilities		
Commodity future contracts	**(133)**	(37)
Foreign currency forward contracts	**(1,122)**	-
	(1,255)	(37)

For the financial year ended 31 March 2026, the unrealised fair value loss of the foreign currency forward contracts amounting to RM1,126,000 (2025: fair value gain of RM878,000) and unrealised fair value loss of the commodity future contracts amounting to RM673,000 (2025: fair value loss of RM1,201,000) have 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

	The Group		The Company	
	2026	**2025**	**2026**	**2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade receivables	**42,159**	50,339	**60**	-
Less: Impairment losses	**(2,160)**	(2,114)	**-**	-
	39,999	48,225	**60**	-

The Group's 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 cash terms to 90 days (2025: 7 to 90 days).

The Company's trade receivable comprises amounts receivable for management services rendered and the credit period granted is 30 days (2025: Nil).

An allowance of RM2,160,000 (2025: RM2,114,000) 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 RM9,558,000 (2025: RM14,376,000), 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 (2025: 30 days and below to 120 days).

The Group and the Company always measure 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.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group and the Company write 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.

Notes To The Financial Statements (cont'd)

24. TRADE RECEIVABLES (CONT'D)

The table below is an analysis of trade receivables as at the end of the reporting period:

	The Group	
	2026	**2025**
	RM'000	**RM'000**
Neither past due nor impaired	**30,441**	33,849
Past due but not impaired:		
30 days and below	**7,612**	11,639
31 - 60 days	**1,247**	1,912
61 - 90 days	**699**	681
91 - 120 days	**-**	144
	9,558	14,376
Past due and impaired:		
More than 120 days	**2,160**	2,114
Total trade receivables	**42,159**	50,339

As at the end of the reporting period, the Company's trade receivable is neither past due nor impaired.

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	
	2026	**2025**
	RM'000	**RM'000**
At beginning of the financial year	**2,114**	2,211
Charge for the financial year (Note 8)	**176**	-
Bad debts written off	**(82)**	(44)
Reversal of loss allowance no longer required (Note 8)	**(48)**	(53)
At end of the financial year	**2,160**	2,114

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 2 (2025: 5) major customers, which constitutes approximately 15% (2025: 21%) of the total trade receivables.

24. TRADE RECEIVABLES (CONT'D)

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:

	The Group		The Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
United States Dollar	**11,918**	21,964	**-**	-
Ringgit Malaysia	**26,510**	24,135	**60**	-
Pound Sterling	**477**	486	**-**	-
Euro	**1,094**	1,640	**-**	-
	39,999	48,225	**60**	-

25. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

	The Group		The Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Other receivables	**48,522**	49,950	**495**	184
Less: Impairment losses	**(142)**	(142)	**-**	-
	48,380	49,808	**495**	184
Refundable deposits	**6,758**	12,462	**6,203**	4,053
Prepaid expenses	**10,991**	7,826	**37**	39
	66,129	70,096	**6,735**	4,276
Less: Amount due within 12 months	**(61,937)**	(70,096)	**(6,735)**	(4,276)
Non-current portion	**4,192**	-	**-**	-

Included in the Group's other receivables as at 31 March 2026 is an amount of RM12,725,000, representing the remaining outstanding amount receivable from the defendant pursuant to the consent judgement. The amount is receivable in accordance with the agreed instalment payments over a four-year period from the date of the consent judgement and is measured at amortised cost using the effective interest rate of 4.60% per annum. Further details are disclosed in Note 45 (i).

	The Group	
	2026 RM'000	**2025 RM'000**
Non-current portion	**2,784**	-
Current portion	**9,941**	-
Total	**12,725**	-

Notes To The Financial Statements (cont'd)

25. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES (CONT'D)

The movement in the impairment losses for other receivables during the reporting period is as follows:

	The Group	
	2026	**2025**
	RM'000	**RM'000**
At beginning/end of the financial year	**142**	142

Analysis of currency profile of other receivables and refundable deposits is as follows:

	The Group	
	2026	**2025**
	RM'000	**RM'000**
Ringgit Malaysia	**23,386**	20,798
Hong Kong Dollar	**79**	88
Indonesian Rupiah	**31,673**	41,384
	55,138	62,270

26. RELATED COMPANIES AND RELATED PARTY TRANSACTIONS

(a) Amount owing by subsidiary companies

Amount owing by subsidiary companies represent mainly unsecured advances, dividend income, 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 Company	
	2026	**2025**
	RM'000	**RM'000**
Ringgit Malaysia	**-**	64
Hong Kong Dollar	**52**	52
	52	116

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	
	2026 RM'000	2025 RM'000
Subsidiary companies		
Management fees received/ receivable		
Southern Acids Industries Sdn. Bhd.	**2,579**	2,521
PKE Transport (Malaysia) Sdn. Berhad	**514**	425
Southern Medicare Sdn. Bhd.	**1,658**	1,446
Southern Acids Cronos Resource Sdn. Bhd.	**595**	151
Noble Interest Sdn. Bhd.	**27**	67
Pembinaan Gejati Sdn. Bhd.	**221**	211
Firstview Development Sdn. Bhd.	**1,561**	1,455
Dividends received/receivable		
Firstview Development Sdn. Bhd.	**-**	6,000
PKE Transport (Malaysia) Sdn. Berhad	**3,329**	-
Southern Medicare Sdn. Bhd.	**18,018**	12,012
Administrative charge paid/payable		
Southern Acids Cronos Resource Sdn. Bhd.	**(181)**	(235)

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Associate company				
PKE (Malaysia) Sdn. Berhad				
Management fee received/receivable	**55**	238	**55**	238
Rental of overhead conveyor system received/receivable	**2,132**	8,558	**-**	-
Administrative charge received/receivable	**68**	336	**-**	-
Administrative charge paid/payable	**(476)**	(1,855)	**-**	-

Notes To The Financial Statements (cont'd)

26. RELATED COMPANIES AND RELATED PARTY TRANSACTIONS (CONT'D)

(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., Southern Keratong Plantations Sdn. Bhd., Bukit Rotan Palm Oil Sdn. Bhd., Southern Products Marketing Sdn. Bhd., Southern Hockjoo Plantation Sdn. Bhd., Southern Realty Plantation 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 Enghoe Plantations Sdn. Bhd., Victory Investment Company Sdn. Bhd., KeeHup Southern Realty Sdn. Bhd., Maxcentury Oil Palm (Sabah) Sdn. Bhd., Fermanagan Biobridge Hall Sdn. Bhd. and Enghola Biobridge Front Sdn. Bhd.	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.
Kelompok Tani Anugrah Logas and PT Anugrah Serasi Abadi	Companies in which Herry Mukiat, a Director of PT Mustika Agro Sari and PT Wanasari Nusantara, both indirect subsidiaries of the Company and has substantial financial interests.
Kelompok Tani Anugrah Tanjung Medang, Kelompok Tani Anugerah Sahabat Sejati and PT Mandiri Bakti Nusantara	Companies in which Herry Amin, a shareholder of PT Wanasari Nusantara, has substantial financial interests.
PT Mikroba Anugrah Perkasa and CV Anugrah Daya Adhitama.	Companies in which Herry Amin and Herry Mukiat have substantial financial interests.

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	
	2026	**2025**
	RM'000	**RM'000**
Related parties		
Southern Realty (Malaya) Sdn. Bhd.		
Administrative charges	**4,044**	4,073
Share of property, plant and equipment charges	**42**	48
Share of utilities charges	**(164)**	(139)
Purchases of goods	**(988)**	(25,188)
Plantation advisory paid/payable	**(96)**	(96)
Leases paid/payable for:		
Factory land	**(970)**	(878)
Short-term leases	**(197)**	(193)
Bukit Rotan Palm Oil Sdn. Bhd.		
Administrative charges	**34**	37
Southern Edible Oil Industries (M) Sdn. Berhad		
Sale of goods	**95**	336
Purchases of goods	**(2,904)**	(5,262)
Administrative charges	**891**	1,022
Share of property, plant and equipment charges	**42**	48
Share of utilities charges	**815**	947
Tolling charges	**293**	-
Southern Keratong Plantations Sdn. Bhd.		
Administrative charges	**2,007**	1,870
Sale for vehicle	**60**	-
Rental received/receivable for vehicle	**15**	36
Share of property, plant and equipment charges	**3**	3
Torita Rubber Works Sdn. Bhd.		
Administrative charges	**21**	21

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)

	The Group	
	2026 RM'000	**2025 RM'000**
Southern Hockjoo Plantation Sdn. Bhd.		
Administrative charges	**224**	230
Banting Hock Hin Estate Company Sdn. Bhd.		
Administrative charges	**188**	208
Southern Products Marketing Sdn. Bhd.		
Administrative charges	**107**	103
Kumsobina Development Sdn. Bhd.		
Administrative charges	**96**	95
Southern Realty Plantation Company Sdn. Bhd.		
Administrative charges	**56**	43
KeeHup Southern Realty Sdn. Bhd.		
Rental paid/payable for staff quarters	**(40)**	(46)
Administrative charges	**89**	96
Torita Trading (M) Sdn. Bhd.		
Administrative charges	**5**	5
Victory Investment Company Sdn. Bhd.		
Administrative charges	**55**	40
Victory Enghoe Plantations Sdn. Bhd.		
Administrative charges	**1,768**	1,445
Bekalan Utama Sdn. Berhad		
Administrative charges	**32**	32
Naga Wira Sdn. Berhad		
Administrative charges	**34**	31
Perindustrian Sawit Karak Sdn. Bhd.		
Administrative charges	**34**	31

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)

	The Group	
	2026 **RM'000**	**2025** **RM'000** **(Restated)**
Guan Heng Edible Oil Industries Sdn. Bhd.		
Administrative charges	**28**	25
Maxcentury Oil Palm (Sabah) Sdn. Bhd.		
Administrative charges	**119**	110
Southern Realty Resource Sdn. Bhd.		
Administrative charges	**58**	53
Fermanagan Biobridge Hall Sdn. Bhd.		
Administrative charges	**1,095**	867
Enghola Biobridge Front Sdn. Bhd.		
Administrative charges	**38**	-
Kelompok Tani Anugrah Logas		
Purchase of goods	**-**	(680)
Kelompok Tani Anugrah Tanjung Medang		
Purchase of goods	**(484)**	(773)
Kelompok Tani Anugerah Sahabat Sejati		
Purchase of goods	**(432)**	(617)
PT Mikroba Anugrah Perkasa		
Purchase of goods	**(171)**	(4,083)
PT Anugrah Serasi Abadi		
Purchase of goods	**(48)**	(1,432)
PT Mandiri Bakti Nusantara		
Purchase of goods	**(509)**	(670)
CV Anugrah Daya Adhitama		
Purchase of goods	**(40,744)**	(4,060)

Notes To The Financial Statements (cont'd)

26. RELATED COMPANIES AND RELATED PARTY TRANSACTIONS (CONT'D)

(f) Related party balances

Included under the following accounts of the Group are significant outstanding balances arising from trade and non-trade transactions which were determined based on negotiations, as agreed with the above related parties:

	The Group	
	2026	**2025**
	RM'000	**RM'000**
Trade receivables		
Southern Realty (Malaya) Sdn. Bhd.	**654**	330
Southern Keratong Plantations Sdn. Bhd.	**287**	287
Victory Enghoe Plantations Sdn. Bhd.	**253**	115
Southern Edible Oil Industries (M) Sdn. Berhad	**140**	248
Southern Hockjoo Plantation Sdn. Bhd.	**25**	16
Southern Products Marketing Sdn. Bhd.	**32**	33
Banting Hock Hin Estate Company Sdn. Bhd.	**9**	40
Kumsobina Development Sdn. Bhd.	**16**	7
KeeHup Southern Realty Sdn. Bhd.	**24**	7
Maxcentury Oil Palm (Sabah) Sdn. Bhd.	**19**	8
Victory Investment Company Sdn. Bhd.	**8**	4
Southern Realty Plantation Company Sdn. Bhd.	**11**	4
Southern Realty Resource Sdn. Bhd.	**9**	4
Bekalan Utama Sdn. Berhad	**5**	3
Bukit Rotan Palm Oil Sdn. Bhd.	**3**	2
Guan Heng Edible Oil Industries Sdn. Bhd.	**4**	2
Naga Wira Sdn. Berhad	**5**	2
Perindustrian Sawit Karak Sdn. Bhd.	**5**	2
Torita Rubber Works Sdn. Bhd.	**1**	1
Fermanagan Biobridge Hall Sdn. Bhd.	**314**	167
Enghola Biobridge Front Sdn. Bhd.	**41**	-
	1,865	1,282
Other receivables, deposits and prepaid expenses		
Southern Edible Oil Industries (M) Sdn. Berhad	**59**	147

	The Group	
	2026	**2025**
	RM'000	**RM'000**
Trade payables		
Southern Edible Oil Industries (M) Sdn. Berhad	**173**	922
Southern Realty (Malaya) Sdn. Bhd.	**2,065**	143
Bukit Rotan Palm Oil Sdn. Bhd.	**5**	5
	2,243	1,070

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.

26. RELATED COMPANIES AND RELATED PARTY TRANSACTIONS (CONT'D)

(f) Related party balances (cont'd)

The remuneration of Directors and other members of key management during the financial year are as follows:

	The Group		The Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Short-term employment benefits	**11,089**	9,928	**3,926**	3,500
Post-employment benefits	**892**	764	**337**	275
	11,981	10,692	**4,263**	3,775

Included in the total compensation of key management personnel are:

	The Group		The Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Directors' remuneration (Note 7)	**4,653**	4,160	**2,663**	2,311

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 RM226,156 and RM126,096 (2025: RM226,869 and RM111,528) 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 BANK BALANCES

	The Group		The Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Cash on hand and at bank	**180,471**	195,016	**3,976**	2,567
Fixed deposits with licensed banks	**102,890**	46,074	**-**	-
Short-term placements	**155,244**	144,333	**29,939**	14,143
	438,605	385,423	**33,915**	16,710
Less:				
Deposits with maturity in excess of three months	**(72,114)**	(402)	**-**	-
Cash and cash equivalents	**366,491**	385,021	**33,915**	16,710

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 3.05% to 5.50% (2025: 3.20% to 5.00%) per annum and have maturity periods ranging from 1 month to 1 year (2025: 1 day to 1 year).

Notes To The Financial Statements (cont'd)

28. CASH AND BANK BALANCES (CONT'D)

The effective interest rates for short-term placements of the Group range from 3.20% to 3.27% (2025: 2.85% to 3.59%) and have no fixed maturity period which allows prompt redemption on demand.

Analysis of cash and bank balances by currency is as follows:

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Ringgit Malaysia	**195,693**	173,290	**33,915**	16,710
Indonesian Rupiah	**239,107**	201,453	**-**	-
United States Dollar	**3,790**	10,668	**-**	-
Hong Kong Dollar	**12**	12	**-**	-
Singapore Dollar	**3**	-	**-**	-
	438,605	385,423	**33,915**	16,710

29. ASSET CLASSIFIED AS HELD FOR SALE

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
At beginning of the financial year	**2,404**	-	**917**	-
Transfer from investment in an associate company (Note 17)	**-**	2,404	**-**	917
Disposal	**(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 Berhad. 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 transfer of the Sale Shares to Mr. Lim Wei Chuen and Kong Global Capital Sdn. Bhd. was completed and perfected on 15 July 2025 and 27 August 2025, respectively. Following the completion and perfection of the respective share transfers, PKE (Malaysia) Sdn. Berhad ceased to be an associate company of the Company.

30. SHARE CAPITAL

	The Group and the Company			
	2026		2025	
	No. of shares ('000)	Amount RM'000	No. of shares ('000)	Amount RM'000
Issued and fully paid, at no par value				
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 Company	
	2026	**2025**	**2026**	**2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Non-distributable:				
Foreign exchange reserve	**(62,546)**	(33,978)	**-**	-
Other reserve	**(322)**	(322)	**-**	-
Fair value reserve	**12,255**	12,178	**12,145**	12,178
	(50,613)	(22,122)	**12,145**	12,178
Distributable:				
Retained earnings	**661,028**	630,610	**156,113**	141,620
	610,415	608,488	**168,258**	153,798

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 Group	
	2026	**2025**
	RM'000	**RM'000**
Current portion and unsecured:		
Bankers' acceptances	**10,000**	15,000

The bankers' acceptances of the Group bore effective interest rate ranging from 3.91% to 4.15% (2025: 4.05% to 4.17%) per annum.

Notes To The Financial Statements (cont'd)

33. HIRE PURCHASE PAYABLES

	The Group	
	2026	**2025**
	RM'000	**RM'000**
Minimum lease payments	**1,987**	1,955
Less: Future finance charges	**(142)**	(216)
Present value of hire purchase liabilities	**1,845**	1,739
Less: Amount due within 12 months (shown under current liabilities)	**(1,028)**	(858)
Non-current portion	**817**	881

The non-current portion is payable as follows:

	The Group	
	2026	**2025**
	RM'000	**RM'000**
Between 1 - 2 years	**688**	642
Between 2 - 5 years	**129**	239
	817	881

The average term of hire purchase is approximately 3 years (2025: 3 years). For the financial year ended 31 March 2026, the effective borrowing rate ranged from 3.20% to 11.74% (2025: 5.00% to 11.74%) 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 (as described in Note 13 (iv)).

34. LEASE LIABILITIES

	The Group	
	2026	**2025**
	RM'000	**RM'000**
At beginning of the financial year	**1,806**	3,141
Lease modification	**43**	85
Finance costs (Note 9)	**57**	113
Payment of lease rental	**(1,612)**	(1,533)
At end of the financial year	**294**	1,806
Payable within 1 year	**294**	1,421
Payable more than 1 year but less than 5 years	**-**	385
	294	1,806

34. LEASE LIABILITIES (CONT'D)

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 2026			
Outstanding contracts			
Less than 1 year	**299**	**(5)**	**294**
31 March 2025			
Outstanding contracts			
Less than 1 year	1,533	(112)	1,421
Between 1 - 5 years	387	(2)	385
	1,920	(114)	1,806

The incremental borrowing rates of the Group applied to the lease liabilities range from 4.60% to 6.05% (2025: 4.77% to 6.05%) 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 (2025: 58 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.

Notes To The Financial Statements (cont'd)

35. PROVISION FOR RETIREMENT BENEFITS (CONT'D)

Movements in net liability during the financial year are as follows:

	The Group		
	Malaysia RM'000	Indonesia RM'000	Total RM'000
As at 1 April 2024	8,131	7,116	15,247
Additions in current financial year (Note 8)	815	1,219	2,034
Transfer from subsidiary and associate companies (Note 8)	37	-	37
	852	1,219	2,071
Actuarial gain arising from changes in financial assumptions	2,376	(1,991)	385
Benefits paid	(620)	(231)	(851)
Effects of foreign exchange translation	-	(670)	(670)
As at 31 March 2025/1 April 2025	10,739	5,443	16,182
Additions in current financial year (Note 8)	1,102	1,117	2,219
Actuarial gain arising from changes in financial assumptions	-	207	207
Benefits paid	(802)	(211)	(1,013)
Effects of foreign exchange translation	-	(668)	(668)
As at 31 March 2026	**11,039**	**5,888**	**16,927**

	The Company	
	2026 RM'000	2025 RM'000
At beginning of the financial year	**1,768**	1,426
Additions in current financial year (Note 8)	**200**	156
Transfer from subsidiary and associate companies (Note 8)	**-**	49
Actuarial gain arising from changes in financial assumptions	**-**	137
At end of the financial year	**1,968**	1,768

Notes To The Financial Statements (cont'd)

35. PROVISION FOR RETIREMENT BENEFITS (CONT'D)

Movements in present value of defined benefit obligations during the financial year are as follows:

		The Group	
	Malaysia RM'000	**Indonesia RM'000**	**Total RM'000**
2026			
At beginning of the financial year	**10,739**	**5,443**	**16,182**
Current service cost (Note 8)	**681**	**772**	**1,453**
Interest cost on obligation (Note 8)	**421**	**345**	**766**
	1,102	**1,117**	**2,219**
Actuarial gain arising from changes in financial assumptions	**-**	**207**	**207**
Benefits paid	**(802)**	**(211)**	**(1,013)**
Effects of foreign exchange translation	**-**	**(668)**	**(668)**
At end of the financial year	**11,039**	**5,888**	**16,927**
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 in financial assumptions	2,376	(1,991)	385
Benefits paid	(620)	(231)	(851)
Effects of foreign exchange translation	-	(670)	(670)
At end of the financial year	10,739	5,443	16,182

Notes To The Financial Statements (cont'd)

35. PROVISION FOR RETIREMENT BENEFITS (CONT'D)

	The Company	
	2026	**2025**
	RM'000	**RM'000**
At beginning of the financial year	**1,768**	1,426
Current service cost (Note 8)	**147**	113
Interest cost on obligation (Note 8)	**53**	43
Transfer from subsidiary and associate companies (Note 8)	**-**	49
Actuarial gain arising from changes in financial assumptions	**-**	137
At end of the financial year	**1,968**	1,768

The principal actuarial assumptions used as at the end of the reporting period are as follows:

	2026	**2025**
Malaysia		
Discount rate (%)	**4.30**	4.30
Future salary increments (%)	**6.00**	6.00
Normal retirement age:		
Male	**60**	60
Female	**60**	60
Indonesia		
Discount rate (%)	**7.01**	7.22
Future salary increments (%)	**10.00**	10.00
Normal retirement age:		
Male	**58**	58
Female	**58**	58

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 RM1,613,000 (2025: RM1,563,000) and RM1,400,000 (2025: RM1,413,000) respectively.

2. If the expected salary growth increase/(decrease) by 1%, the defined benefit obligation would increase and decrease by RM1,588,000 (2025: RM1,480,000) and RM1,409,000 (2025: RM1,333,000) 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.

Notes To The Financial Statements (cont'd)

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 (2025: 7 to 60) days.

Analysis of currency profile of trade payables is as follows:

	The Group	
	2026	**2025**
	RM'000	**RM'000**
Ringgit Malaysia	**23,360**	13,402
Indonesian Rupiah	**15,592**	16,220
	38,952	29,622

(b) Other Payables and Accrued Expenses

	The Group		The Company	
	2026	**2025**	**2026**	**2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Other payables	**30,442**	25,670	**19,702**	12,443
Accrued expenses	**19,190**	14,817	**2,271**	1,828
Deposits received	**183**	168	**-**	-
Dividend payable	**-**	121	**-**	121
	49,815	40,776	**21,973**	14,392
Less: Amount due within 12 months	**(30,113)**	(32,926)	**(2,271)**	(6,542)
Non-current portion	**19,702**	7,850	**19,702**	7,850

The non-current portion is payable as follows:

	The Group and The Company	
	2026	**2025**
	RM'000	**RM'000**
Between 1 - 2 years	**19,702**	4,056
Between 2 - 5 years	**-**	3,794
	19,702	7,850

Notes To The Financial Statements (cont'd)

36. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES (CONT'D)

(b) Other Payables and Accrued Expenses (cont'd)

Other payables arose mainly in respect of indirect costs and administrative expenditures. These amounts are unsecured, interest-free and are repayable within 60 days (2025: 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 RM19,702,000 (2025: RM12,443,000).

During the financial year, the Company entered into an addendum to the share sale agreement with LMHSB, pursuant to which the terms and conditions including payment terms were revised. As a result, the outstanding balance was classified as non-current as at 31 March 2026. The interest imputed on deferred payment is 5.67% (2025: 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	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Ringgit Malaysia	**43,866**	34,050	**21,973**	14,392
Indonesian Rupiah	**5,583**	6,220	**-**	-
Hong Kong Dollar	**194**	213	**-**	-
United States Dollar	**172**	293	**-**	-
	49,815	40,776	**21,973**	14,392

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 RM8,634,000 (2025: RM6,427,000) 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 prior financial years.

38. BANKING FACILITIES

The Group and the Company have bank guarantee and other credit facilities amounting to RM71,000,000 and RM6,000,000 (2025: RM71,000,000 and RM6,000,000) respectively, out of which RM65,000,000 (2025: 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 3.19% - 4.15% (2025: 4.17% - 5.46%) per annum.

As at 31 March 2026, the Group and the Company have utilised RM14,565,000 and RM546,000 (2025: RM21,038,000 and RM760,000) respectively, of the bank guarantee and other credit facilities.

39. DIVIDENDS

	The Group and The Company	
	2026 RM'000	**2025 RM'000**
Final dividend of 5 sen, single tier, in respect of financial year ended:		
- 31 March 2025	**6,847**	-
- 31 March 2024	**-**	6,847

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 2027.

Notes To The Financial Statements (cont'd)

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

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 2026	**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	263,055	125,849	507,450	19,991	-	916,345
External dividend income	-	-	-	2,528	-	2,528
Inter-segment sales	-	-	-	11,740	(11,740)	-
Total revenue	263,055	125,849	507,450	34,259	(11,740)	918,873
Financial Results						
Segment results	(32,259)	34,477	83,322	(8,823)	-	76,717
Profit from operations						76,717
Finance costs						(1,197)
Profit before tax						75,520
Income tax expense						(23,294)
Profit for the financial year						52,226
Other Information:						
Capital expenditure	1,346	22,120	10,759	5,818	-	40,043

Notes To The Financial Statements (cont'd)

40. SEGMENTAL INFORMATION (CONT'D)

The Group 2026	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/ (income):						
Depreciation of property, plant and equipment	3,417	9,891	9,495	3,739	-	26,542
Depreciation of right-of-use assets	684	145	11	352	-	1,192
Depreciation of investment properties	-	-	-	40	-	40
Provision for retirement benefits	563	-	1,133	523	-	2,219
Property, plant and equipment written off	138	11	66	-	-	215
Inventories written off	-	37	-	-	-	37
Reversal of write-down of inventories	(1,435)	-	-	-	-	(1,435)
Impairment losses on trade receivables	-	176	-	-	-	176
Reversal of impairment losses on trade receivables no longer required	(48)	-	-	-	-	(48)
Unrealised (loss)/gain on foreign exchange - net	(80)	-	1,087	-	-	1,007
Gain on disposal of property, plant and equipment	(15)	(53)	(227)	(152)	-	(447)
Loss arising from fair value change in derivatives	1,799	-	-	-	-	1,799
Gain arising from fair value change in biological assets	-	-	(1,730)	-	-	(1,730)
Accretion of interest on other payables	-	-	-	(574)	-	(574)
Unwinding of interest on other payables	-	-	-	426	-	426
Waiver of specialist fee	-	(15)	-	-	-	(15)
Loss on disposal of asset classified as held for sale	-	-	-	491	-	491
Compensation income	-	-	(22,246)	-	-	(22,246)
Impairment loss on investments in subsidiary companies	-	-	-	131	(131)	-

Notes To The Financial Statements (cont'd)

40. SEGMENTAL INFORMATION (CONT'D)

The Group 2026	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	**110,844**	**148,475**	**591,183**	**166,383**	**-**	**1,016,885**
Deferred tax assets	**-**	**-**	**2,976**	**-**	**-**	**2,976**
Tax recoverable	**1,313**	**-**	**3,634**	**192**	**-**	**5,139**
Consolidated assets						**1,025,000**
Liabilities						
Segment liabilities	**43,056**	**20,245**	**38,091**	**27,943**	**-**	**129,335**
Deferred tax liabilities	**-**	**2,152**	**-**	**3,655**	**-**	**5,807**
Tax payables	**-**	**729**	**3,174**	**72**	**-**	**3,975**
Consolidated liabilities						**139,117**
2025						
Revenue						
External sales	405,352	122,539	540,249	19,567	-	1,087,707
External dividend income	-	-	-	2,823	-	2,823
Inter-segment sales	-	-	-	9,985	(9,985)	-
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

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
Other Information:						
Capital expenditure	4,702	8,048	25,312	6,534	-	44,596
Non-cash expenses/ (income):						
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
nventories written off	-	38	-	-	-	38
Reversal of write-down of inventories	(717)	-	-	-	-	(717)
Impairment loss on property, plant and equipment	7,710	-		-	-	7,710
Impairment loss on right-of-use assets	260	-	-	-	-	260
Reversal of impairment losses on trade receivables no longer required	(32)	(21)	-	-	-	(53)
Unrealised loss on foreign exchange - net	448	-	793	-	-	1,241
Loss/(Gain) 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 payables	-	-	-	(1,321)	-	(1,321)
Unwinding of interest on other payables	-	-	-	671	-	671
Other investment written off	-	-	-	430	-	430
Waiver of specialist fee	-	(12)	-	-	-	(12)
Share of results of an associate company	-	-	-	(515)	-	(515)

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
Statement of Financial Position						
Assets						
Segment assets	137,895	142,970	563,182	148,306	-	992,353
Deferred tax assets	-	-	2,234	-	-	2,234
Tax recoverable	2,775	-	9,682	861	-	13,318
Consolidated assets						1,007,905
Liabilities						
Segment liabilities	39,483	19,973	36,977	18,055	-	114,488
Deferred tax liabilities	-	2,598	-	3,675	-	6,273
Tax payables	-	406	3,773	50	-	4,229
Consolidated liabilities						124,990

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:

	Sales revenue by geographical market 2026 RM'000	2025 RM'000
Asia:		
Malaysia	**202,996**	281,469
Indonesia	**501,885**	534,072
Others	**118,308**	130,866
Europe	**50,030**	66,297
America	**34,395**	57,796
Others	**11,259**	20,030
	918,873	1,090,530

40. SEGMENTAL INFORMATION (CONT'D)

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:

	Carrying amount of total assets		Capital expenditure	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Asia:				
Malaysia	**612,359**	588,225	**29,284**	19,288
Indonesia	**399,124**	391,729	**10,759**	25,308
Others	**3,747**	5,212	**-**	-
Europe	**6,220**	1,608	**-**	-
America	**2,457**	20,561	**-**	-
Others	**1,093**	570	**-**	-
	1,025,000	1,007,905	**40,043**	44,596

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 2026, the Group has approved and contracted for capital commitments in respect of purchase of property, plant and equipment amounting to RM13,081,000 (2025: RM14,854,000).

42. FINANCIAL GUARANTEE CONTRACTS

As at 31 March 2026, the Company has issued corporate guarantees without security to licensed financial institutions for credit facilities totalling RM65,000,000 (2025: RM65,000,000) granted to a Malaysian subsidiary company. As at financial year ended 2026, the outstanding banking facilities amounted to RM14,020,000 (2025: RM20,278,000).

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, as disclosed in Note 30 and Note 31. 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	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Financial assets				
FVTOCI:				
Other investments	**38,947**	38,120	**38,087**	38,120
FVTPL:				
Derivative financial assets	**226**	807	**-**	-
Short-term placements	**155,244**	144,333	**29,939**	14,143
Amortised cost:				
Trade receivables	**39,999**	48,225	**60**	-
Other receivables and refundable deposits	**55,138**	62,270	**6,698**	4,237
Amount owing by subsidiary companies	**-**	-	**1,974**	1,838
Amount owing by an associate company	**-**	2,095	**-**	67
Cash and bank balances	**180,471**	195,016	**3,976**	2,567
Fixed deposits with licensed banks	**102,890**	46,074	**-**	-
Financial liabilities				
FVTPL:				
Derivative financial liabilities	**1,255**	37	**-**	-
Amortised cost:				
Trade payables	**38,952**	29,622	**-**	-
Other payables and accrued expenses	**49,815**	40,776	**21,973**	14,392
Amount owing to subsidiary companies	**-**	-	**52**	116
Payables for KKPA Program	**478**	692	**-**	-
Loans and borrowings	**10,000**	15,000	**-**	-
Hire purchase payables	**1,845**	1,739	**-**	-
Lease liabilities	**294**	1,806	**-**	-

43. FINANCIAL INSTRUMENTS (CONT'D)

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.

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.

(i) 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, Indonesian Rupiah and Singapore Dollar 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:

	Assets		Liabilities	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
The Group				
United States Dollar ("USD")	**15,708**	32,632	**172**	293
Indonesian Rupiah ("IDR")	**270,780**	242,837	**23,498**	24,871
Euro ("EUR")	**1,094**	1,640	**-**	-
Pound Sterling ("GBP")	**477**	486	**-**	-
Hong Kong Dollar ("HKD")	**91**	100	**194**	213
Singapore Dollar ("SGD")	**3**	-	**-**	-
The Company				
HKD	**-**	-	**52**	52

Notes To The Financial Statements (cont'd)

43. FINANCIAL INSTRUMENTS (CONT'D)

(i) Foreign currency risk management (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 and total equity will increase/(decrease) by:

	USD RM'000	HKD RM'000	GBP RM'000	EUR RM'000	IDR RM'000
The Group					
2026					
Strengthened 10%	**1,554**	**(10)**	**48**	**109**	**24,728**
Weakened 10%	**(1,554)**	**10**	**(48)**	**(109)**	**(24,728)**
2025					
Strengthened 10%	3,234	(11)	49	164	21,797
Weakened 10%	(3,234)	11	(49)	(164)	(21,797)
The Company					
2026					
Strengthened 10%	**-**	**(5)**	**-**	**-**	**-**
Weakened 10%	**-**	**5**	**-**	**-**	**-**
2025					
Strengthened 10%	-	(5)	-	-	-
Weakened 10%	-	5	-	-	-

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.

Notes To The Financial Statements (cont'd)

43. FINANCIAL INSTRUMENTS (CONT'D)

(i) Foreign currency risk management (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:

Outstanding contracts	Average exchange rate	Foreign currency USD'000	Notional value RM'000	Fair value RM'000
31 March 2026				
Sell USD				
- Less than 3 months	**3.9403**	**8,480**	**33,413**	**34,310**
- 3 to 6 months	**3.9587**	**2,585**	**10,233**	**10,458**
		11,065	**43,646**	**44,768**
31 March 2025				
Sell USD				
- Less than 3 months	4.4325	6,158	27,295	27,292
- 3 to 6 months	4.4338	558	2,474	2,473
		6,716	29,769	29,765

(ii) 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 Group 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.

Notes To The Financial Statements (cont'd)

43. FINANCIAL INSTRUMENTS (CONT'D)

(ii) Price fluctuation risk management (cont'd)

Commodity future contracts

During the reporting period, the Group entered into commodity future contracts, with maturities within the next twelve months.

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 2026			
Contract period for 2 months	**900**	**4,036**	**4,262**
31 March 2025			
Contract period for 3 months	3,950	17,584	18,387
Sell Crude Palm Oil			
31 March 2026			
Contract period for 3 months	**350**	**1,554**	**1,687**
31 March 2025			
Contract period for 3 months	1,400	6,482	6,519

(iii) 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 RM14,019,176 (2025: RM20,277,862) 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 2 (2025: 3) major customers, which constitutes approximately 15% (2025: 21%) 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.

43. FINANCIAL INSTRUMENTS (CONT'D)

(iii) Credit risk management (cont'd)

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.

(iv) 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 2026						
Financial liabilities						
Non-interest bearing:						
Derivative financial liabilities	-	1,255	-	-	1,255	1,255
Trade payables	-	38,952	-	-	38,952	38,952
Other payables and accrued expenses	-	30,113	-	-	30,113	30,113
Payables for KKPA Program	-	-	478	-	478	478
		70,320	478	-	70,798	70,798
Interest bearing:						
Loans and borrowings	3.91 - 4.15	10,031	-	-	10,031	10,000
Hire purchase payables	3.20 - 11.74	1,135	852	-	1,987	1,845
Lease liabilities	4.60 - 6.05	299	-	-	299	294
Other payables	5.67	-	22,000	-	22,000	19,702
		11,466	22,852	-	34,318	31,841
		81,785	23,330	-	105,115	102,639

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 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	-	28,426	-	-	28,426	28,426
Payables for KKPA Program	-	-	692	-	692	692
		58,085	692	-	58,777	58,777
Interest bearing:						
Loans and borrowings	4.05 - 4.17	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
The Company						
31 March 2026						
Financial liabilities						
Non-interest bearing:						
Other payables and accrued expenses		**2,271**	**-**	**-**	**2,271**	**2,271**
Amount owing to a subsidiary company		**52**	**-**	**-**	**52**	**52**
		2,323	**-**	**-**	**2,323**	**2,323**
Interest bearing:						
Other payables	**5.67**	**-**	**22,000**	**-**	**22,000**	**19,702**
		2,323	**22,000**	**-**	**24,323**	**22,025**
Financial guarantee contracts		**14,020**	**-**	**-**	**14,020**	**-**

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 2025						
Financial liabilities						
Non-interest bearing:						
Other payables and accrued expenses	-	1,949	-	-	1,949	1,949
Amount owing to a subsidiary company	-	116	-	-	116	116
		2,065	-	-	2,065	2,065
Interest bearing:						
Other payables	5.67	4,500	8,500	-	13,000	12,443
		6,565	8,500	-	15,065	14,508
Financial guarantee contracts	-	20,278	-	-	20,278	-

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).

There was no transfer between three levels of the fair value hierarchy during the financial year.

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 March 2026				
Financial Assets/(Liabilities)				
The Group				
Other investments	**38,947**	**-**	**-**	**38,947**
Commodity future contracts	**-**	**93**	**-**	**93**
Foreign currency forward contracts	**-**	**(1,122)**	**-**	**(1,122)**
Short-term placements	**-**	**155,244**	**-**	**155,244**
The Company				
Other investments	**38,087**	**-**	**-**	**38,087**
Short-term placements	**-**	**29,939**	**-**	**29,939**
31 March 2025				
Financial Assets/(Liabilities)				
The Group				
Other investments	38,120	-	-	38,120
Commodity future contracts	-	766	-	766
Foreign currency forward contracts	-	4	-	4
Short-term placements	-	144,333	-	144,333
The Company				
Other investments	38,120	-	-	38,120
Short-term placements	-	14,143	-	14,143

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	
	2026	**20245**
	RM'000	**RM'000**
Loans and borrowings (Note 32)		
At beginning of the financial year	**15,000**	20,900
Drawdown	**70,000**	135,000
Repayment	**(75,000)**	(140,900)
Finance costs paid (Note 9)	**(546)**	(1,011)
Accretion of interest	**546**	1,011
At end of the financial year	**10,000**	15,000
Hire purchase payables (Note 33)		
At beginning of the financial year	**1,739**	774
Acquisition of property, plant and equipment by hire purchase	**1,457**	1,890
Repayment	**(1,140)**	(795)
Finance costs paid (Note 9)	**(168)**	(150)
Accretion of interest	**168**	150
Effect of foreign exchange translation	**(211)**	(130)
At end of the financial year	**1,845**	1,739
Lease liabilities (Note 34)		
At beginning of the financial year	**1,806**	3,141
Lease modification	**43**	85
Repayment	**(1,555)**	(1,420)
Finance costs paid (Note 9)	**(57)**	(113)
Accretion of interest	**57**	113
At end of the financial year	**294**	1,806

Notes To The Financial Statements (cont'd)

45. SIGNIFICANT EVENTS DURING THE YEAR

(i) Settlement sum B of consent judgement related to Pembinaan Gejati Sdn. Bhd. ("PGET"), a subsidiary of the Group

During the current financial year as per follow up from the previous year, in relation to settlement sum B, an amended consent judgement was issued and gazette on the compulsory acquisition of land has lapsed. The amended consent judgement provides complete set of schedules which were absent in the original consent judgement received in prior financial year. Following this, the management applied judgement that the recoverability of RM24,000,000 is virtually certain and recognised the settlement sum B as other income at RM22,246,000 as disclosed in Note 8 (i.e. RM24,000,000 amortised at effective interest rate of 4.6% per annum, net of cost of land held for property development of RM434,000 as disclosed in Note 12). During the financial year, interest income of RM545,000 arising from the unwinding of the discount was recognised as disclosed in Note 6. As at year end, RM10,500,000 has been received from the defendant in accordance with the agreed payment instalments and RM12,725,000 remains as other receivables as disclosed in Note 25.

(ii) Surrender agreement for land related to PGET

On 12 March 2026, PGET entered into a surrender agreement for land related to PGET with a third party for agreeing to early surrender a portion of land where the 1,150m of the 2.2km multi-connectivity access road is situated to the relevant authorities. In accordance with the agreement, PGET is entitled for an early surrender incentive amounting to RM13,000,000, subject to the terms and conditions of the agreement. The incentive is not recognised in the financial statements of current financial year as the condition precedents of the agreement have yet to be fulfilled.

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 2026 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

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
3 July 2026

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
3rd day of July 2026.

Before me,

COMMISSIONER FOR OATHS

Disclosure Of Financial Data For Shariah Screening

Pursuant to Paragraph 9.25A of the Bursa Malaysia MMLR, the information below is provided for the purpose of facilitating Shariah Screening by the Shariah Advisory Council of the SC Malaysia. The disclosure includes financial data on Shariah non-compliant income arising from SAB and its subsidiaries' business activities as well as interest-based financial assets and liabilities.

Group Total Income and Total Assets

	The Group	
Total Income	**2026 RM'000**	**2025 RM'000**
Revenue	**918,873**	1,090,530
Other income	**38,990**	22,820
Finance Income	**14,685**	15,479
Share of results of an associate	**-**	515
Total	**972,548**	**1,129,344**
Total Assets	**1,025,000**	**1,007,905**

Business Activities

	The Group	
Shariah Non-Compliant Activities	**2026 RM'000**	**2025 RM'000**
Interest income from convention bank accounts	**11,338**	**12,459**

Component of Financial Position

(a) Cash Component

	The Group	
Islamic Accounts/Instruments	**2026 RM'000**	**2025 RM'000**
Cash at bank (exclude cash in hand)	**909**	-
Short-term placements	**77,205**	76,668
Total	**78,114**	**76,668**

	The Group	
Conventional Accounts/Instruments	**2026 RM'000**	**2025 RM'000**
Cash at bank (exclude cash in hand)	**179,498**	194,941
Cash in hand	**64**	75
Fixed deposits with licensed banks	**102,890**	46,074
Short-term placements	**78,039**	67,665
Total	**360,491**	**308,755**

Disclosure Of Financial Data For Shariah Screening (cont'd)

Component of Financial Position (cont'd)

(b) Debt Component

	The Group	
Conventional borrowing	**2026 RM'000**	**2025 RM'000**
Current		
Loans and borrowings	**10,000**	15,000
Hire purchase payables	**1,028**	858
Non-Current		
Hire purchase payables	**817**	881
Total	**11,845**	**16,739**

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-26 RM'000
1	**Pembinaan Gejati Sdn Bhd** Thangamallay Estate, Lot 14480, 14481, 14482, 14483, Batu 7, Jalan Kebun Kampung Jaya, 42450 Klang Selangor Lot 1095, Mukim Tanjong Duabelas, Kuala Langat, 42450 Klang, Selangor	25-Jun-1995	257 hectares	Land/ Oil Palm Plantation	Freehold	N/A	139,434
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 11 years to 37 years	18,797
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	27 years	19,990
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 31 years to 45 years	4,841
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	19 years	4,077
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	24 years	3,066
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	19 years	2,455
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	3 years	1,958
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	13 years	1,454

Statistics Of Shareholdings

As At 30 June 2026

DISTRIBUTION SCHEDULE OF SHARE AS AT 30 JUNE 2026

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shares Held
Less than 100	258	12.26	6,470	0.00
100 to 1,000	530	25.18	352,063	0.26
1,001 to 10,000	936	44.47	3,603,940	2.63
10,001 to 100,000	308	14.63	9,381,916	6.85
100,001 - 6,846,706 (less than 5% of issued shares)	69	3.28	46,346,888	33.85
6,846,707 (5% of issued Shares) and above	4	0.19	77,242,855	56.41
TOTAL	**2,105**	**100.00**	**136,934,132**	**100.00**

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 30 JUNE 2026

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 2026

		Direct Holdings		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 2026 (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	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI	2,698,000	1.970
11	DATARAN DAGANG ASIA SDN. BHD.	2,102,632	1.536
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	SOUTHERN HOCKJOO PLANTATION SDN BHD	991,666	0.724
16	NG PHAIK LEAN	966,600	0.706
17	TEO KWEE HOCK	926,900	0.677
18	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK (7004011)	900,000	0.657
19	LOW AI HONG	880,404	0.643
20	SAI YEE @ SIA SAY YEE	800,000	0.584
21	NEONG KOK HOOI	789,500	0.577
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW AI FUAH	776,848	0.567
23	NAGA WIRA SDN BERHAD	720,938	0.526
24	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR OH BOON HONG (TM RAYA-CL)	701,232	0.512
25	BEKALAN UTAMA SDN BERHAD	694,166	0.507
26	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN ENK PURN	667,818	0.488
27	MONG TECK SDN BERHAD	559,972	0.409
28	NEONG SHUET CHING	435,173	0.318
29	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK	401,100	0.293
30	LOW AI FUEN	400,338	0.292
	TOTAL	**115,451,654**	**84.312**

Abbreviations

Abbreviation	Meaning
AAPG	Audit and Assurance Practice Guide
ABAC	Anti-Bribery and Anti-Corruption
AC	Audit Committee
AC Report	Audit Committee Report
ACCA	Association of Chartered Certified Accountants
AGM	Annual General Meeting
AOB	Audit Oversight Board
AR	Annual Report
ARPP	Average Revenue Per Patient
ASP	Average Selling Price
BIK	Benefits-in-Kind
Board Committees	Audit Committee and Nomination & Remuneration Committee
Bursa Malaysia	Bursa Malaysia Securities Berhad
CA 2016	Companies Act 2016
CAPA	Corrective and Preventive Action
CFO	Chief Financial Officer
CG	Corporate Governance
CG Report 2026	Corporate Governance Report 2026
CNG	Compressed Natural Gas
CoCE	Code of Conduct and Ethics
COI	Conflict of Interest
CPA	Certified Practising Accountants
CPO	Crude Palm Oil
CSA	Control Self-Assessment
CSI	Customer Service Index
CSR	Corporate Social Responsibility
Dato' Sri Dr Nick Low	Dato' Sri Dr Low Kok Thye
Datuk Wira Lim	Datuk Wira Lim Kim Loong
Deloitte Malaysia PLT or External Auditors	External auditors of the Company
E&E	Electrical and Electronics
ED	Executive Director
EES	Economic, Environmental and Social
EPF	Employees Provident Fund
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
FFB	Fresh Fruit Bunches
FY	Financial Year

Abbreviations (cont'd)

Abbreviation	Meaning
FY2024	Financial Year Ended 31 March 2024
FY2025	Financial Year Ended 31 March 2025
FY2026	Financial Year Ended 31 March 2026
FY2027	Financial Year Ended 31 March 2027
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GMP	Good Manufacturing Practice
Ha	Hectares
HACCP	Hazard Analysis and Critical Control Point
HCV	High Conservation Value
HOT	Hybrid Operating Theatre
HSE	Health, Safety and Environment
IDR	Indonesian Rupiah
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
IMF	International Monetary Fund
INED	Independent Non-Executive Director
IPOC	Indonesian Palm Oil Conference
ISA	International Standard on Auditing
ISO	International Organization for Standardization
ISPO	Indonesian Sustainable Palm Oil
IVF	In Vitro Fertilisation
KM	Kilometre
LBT	Loss Before Tax
LPG	Liquefied Petrolreum Gas
LTIR	Lost Time Incident Rate
Madam Debbie Choa	Deborah Debbie Choa
Madam Jeniffer Low	Jeniffer Low Swee Yim
Madam Tan	Tan Suet Guan
MCCG	Malaysian Code on Corporate Governance
MD	Managing Director
MFRS	Malaysian Financial Reporting Standards
MGNL	Moore Global Network Limited
MIA	Malaysian Institute of Accountants
MICPA	Malaysian Institute of Certified Public Accountants
ML	Megalitre
MMBtu	Metric Million British Thermal Unit

Abbreviations (cont'd)

Abbreviation	Meaning
MMLR	Main Market Listing Requirements
Moore Stephens	Moore Stephens Associates PLT
MPOB	Malaysian Palm Oil Board
Mr Alex Chan	Alex Chan Choon Hoong
Mr Cheong	Cheong Kee Yoong
Mr Chung	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
MS	Malaysian Standard
MSPO	Malaysian Sustainable Palm Oil
MSQH	Malaysian Society for Quality in Health
MT	Metric Tonnes
MWh	Megawatt-hour
NIED	Non-Independent Executive Director
NINED	Non-Independent Non-Executive Director
NRC	Nomination & Remuneration Committee
OSH	Occupational Safety and Health
OSHMS	Occupational Safety and Health Management System
Pantai	Pantai Hospital
PAT	Profit After Tax
PBT	Profit Before Tax
PDPA	Personal Data Protection Act
PK	Palm Kernel
PKO	Palm Kernel Oil
POC	Price Outlook Conference
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PTMAS	PT Mustika Agro Sari
PTWan	PT Wanasari Nusantara
PwC RS or Internal Auditor	PricewaterhouseCoopers Risk Services Sdn. Bhd.
RM	Ringgit Malaysia
RPT	Related Party Transaction
RRPT	Recurrent Related Party Transaction
RSPO	Roundtable on Sustainable Palm Oil

Abbreviations (cont'd)

Abbreviation	Meaning
SAB or the Company	Southern Acids (M) Berhad
SAI	Southern Acids Industries Sdn Bhd
SC	Securities Commission
SCCS	Supply Chain Certification Standard
Senior Management	Senior Management of the Company
SEOI	Southern Edible Oil Industries (M) Sdn. Bhd.
Shareholders' Mandate	Shareholders' mandate for the Company and its subsidiaries to enter into RRPTs of a revenue or trading nature
SIA	Social Impact Assessment
SMC	Sunway Medical Centre
SORMIC	Statement on Risk Management and Internal Control
SRAB	Sustainability & Risk Assessment Body
Sri Kota	Sri Kota Specialist Medical Centre
Tan Sri Sulong	Tan Sri Datuk Seri Panglima Sulong Matjeraie
tCO2e	tonnes of carbon dioxide equivalent
the Board	Board of Directors
the Group	SAB and its subsidiaries
TOR	Terms of Reference
UNIMAS	Universiti Malaysia Sarawak
USD	United States Dollar
VIU	Value in Use
WP	Whistleblower Policy
YoY	Year on Year
YPO	Young Presidents' Organisation

Notice Of The Forty-Fifth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Fifth ("45th") 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 Klang, Selangor Darul Ehsan, Malaysia on Friday, 28 August 2026 at 11.00 a.m. for the following purposes:

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2026 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 2026. **Ordinary Resolution 1**

3. To approve the payment of Directors' fees amounting to RM700,000 for the financial year ended 31 March 2026. [Note 7] **Ordinary Resolution 2**

4. To approve the payment of Directors' Benefits up to an amount of RM250,000 for the period from 29 August 2026 until the next AGM of the Company to be held in 2027. [Note 8] **Ordinary Resolution 3**

5. To re-elect Mr. Chung Kin Mun who retires by rotation in accordance with Clause 113 of the Company's Constitution and, being eligible, has offered himself for re-election. [Note 9] **Ordinary Resolution 4**

   Tan Sri Datuk Seri Panglima Sulong bin Matjeraie who also retires by rotation in accordance with Clause 113 of the Company's Constitution, has expressed his intention not to seek re-election. Hence, he will retain office until the conclusion of 45th AGM.

6. To re-appoint Deloitte Malaysia PLT (formerly known as Deloitte PLT) as Auditors to hold office until the conclusion of the next AGM at a remuneration to be fixed by the Directors. **Ordinary Resolution 5**

SPECIAL BUSINESS

To consider and, if thought fit, adopt the following resolutions, with or without modification, as Ordinary Resolutions:

7. **Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016** [Note 10] **Ordinary Resolution 6**

   "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-Fifth Annual General Meeting (cont'd)

8. **Proposed Renewal of Authority for the Company to Purchase Its Own Shares of Up to 10% of the Total Number of Issued Shares of the Company ("Proposed Renewal of Share Buy-Back Authority")** [Note 11] **Ordinary Resolution 7**

"THAT subject to Section 127 of the Companies Act 2016, 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:-

(i) 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

(ii) 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:-

(i) 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:-

(a) 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;

(b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or

(c) 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 Renewal of 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."

9. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** [Note 12] **Ordinary Resolution 8**

"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 28 July 2026 subject further to the following:

i. 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;

ii. 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.

10. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend the 45th 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 21 August 2026. Only a depositor whose name appears on the Record of Depositors as at 21 August 2026 shall be entitled to attend the said meeting or appoint proxies to attend and vote on his/her behalf.

Notice Of The Forty-Fifth Annual General Meeting (cont'd)

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 2026 ("Dividend") under Ordinary Resolution 1 at the 45th AGM of the Company on 28 August 2026, the Dividend will be paid to the shareholders on 11 November 2026. The entitlement date for the Dividend shall be 16 October 2026.

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 14 October 2026 (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 16 October 2026 (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.

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: 28 July 2026

Notes:

1. 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.

2. 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.

3. 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.

4. 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.

5. 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:

    (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 Vistra Share Registry and IPO (MY) portal at https://srmy.vistra.com. Please refer to the Administrative Guide for further information on electronic submission.

Notice Of The Forty-Fifth Annual General Meeting (cont'd)

6. 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.

7. Directors' Fees

The Board of Directors proposed the Directors' Fees for the financial year ended 31 March 2026, subject to approval from the shareholders at the 45th AGM, as follows:

(i) Chairman of the Company - RM150,000
(ii) Chairman of the Audit Committee - RM150,000
(iii) Board members - RM100,000

8. Directors' Benefits Payable

The Directors' Benefits comprised the following:

Description of Benefits	
Meeting Allowance per Meeting based on Attendance	(i) Board Chairman - RM1,600 (ii) Board Committee Chairman - RM1,600 (iii) Board member - RM800 each (iv) Board Committee member - 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 29 August 2026 up to the next AGM of the Company to be held in 2027. 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 29 August 2026 up to the next AGM of the Company to be held in 2027.

9. Re-Election of Directors

Mr Chung Kin Mun and Tan Sri Datuk Seri Panglima Sulong bin Matjeraie were retiring pursuant to Clause 113 of the Company's Constitution. Mr Chung Kin Mun, being eligible, has offered himself for re-election at this AGM. However, Tan Sri Datuk Seri Panglima Sulong bin Matjeraie had expressed his intention not to seek re-election. Hence, he will retain office until the conclusion of the 45th AGM.

The performance of the Director standing 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 Director, and are of the view that his continued service would benefit the Company and its stakeholders.

The profile of Mr Chung Kin Mun is set out in the Profile of the Board of Directors.

10. Authority to issue Shares pursuant to Sections 75 and 76 of the Companies Act, 2016

The proposed Ordinary Resolution 6, 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.

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 29 August 2025 and which lapse at the conclusion of the 45th AGM.

Notice Of The Forty-Fifth Annual General Meeting (cont'd)

11. Proposed Renewal of Share Buy-Back Authority

    The proposed Ordinary Resolution 7, if passed, will empower the Company to purchase and/or hold up to ten per centum (10%) of the total number of issued shares 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 Renewal of Share Buy-Back Authority is set out in the Statements to Shareholders of the Company dated 28 July 2026, which is despatched together with the Company's Annual Report 2026.

12. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

    The proposed Ordinary Resolution 8, 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 28 July 2026, which is despatched together with the Company's Annual Report 2026, for more information.

13. 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.

Statement Accompanying 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 details of Mr Chung Kin Mun, the Director who is standing for re-election at the 45th Annual General Meeting **pursuant** to Clause 113 of the Company's Constitution is set out in the Directors' Profile on page 24.

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SOUTHERN ACIDS (M) BERHAD [198001010791 (64577-K)]
FORTY-FIFTH ANNUAL GENERAL MEETING

PROXY FORM

I/We (FULL NAME IN CAPITAL LETTERS) ______________________________

NRIC No./Passport No./Company No. ______________________________

of (FULL ADDRESS) ______________________________

____

being a member/member(s) of Southern Acids (M) Berhad hereby appoint

First Proxy

Full Name of Proxy in capital letters	NRIC No. / Passport No.	Proportion of shareholdings	
		Number of shares	Percentage (%)
Address			

and/or failing him/her
Second Proxy

Full Name of Proxy in capital letters	NRIC No. / Passport No.	Proportion of shareholdings	
		Number of shares	Percentage (%)
Address			

or failing him/her, the Chairman of the meeting, as my/our proxy to vote for me/us on my/our behalf at the Forty-Fifth (45th) Annual General Meeting ("AGM") of Southern Acids (M) Berhad ("the Company") to 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 Klang, Selangor Darul Ehsan, Malaysia on Friday, 28 August 2026 at 11.00 a.m. and at any adjournment thereof in respect of my/our holdings of shares in the manner indicated below: -

No.	Resolutions	For	Against
1	**Ordinary Resolution 1** To approve the payment of Single Tier Final Dividend of 5 sen per ordinary share in respect of the financial year ended 31 March 2026.		
2	**Ordinary Resolution 2** To approve the payment of Directors' fees amounting to RM700,000 for the financial year ended 31 March 2026.		
3	**Ordinary Resolution 3** To approve the payment of Directors' benefits up to an amount of RM250,000 for the period from 29 August 2026 until the next AGM of the Company to be held in 2027.		
4	**Ordinary Resolution 4** To re-elect Mr Chung Kin Mun as Director of the Company in accordance with Clause 113 of the Company's Constitution.		
5	**Ordinary Resolution 5** To re-appoint Deloitte Malaysia PLT (formerly known as Deloitte PLT) as Auditors to hold office until the conclusion of the next AGM at a remuneration to be fixed by the Directors.		
6	**Ordinary Resolution 6** To approve the Authority to issue Shares pursuant to Sections 75 and 76 of the Companies Act, 2016.		
7	**Ordinary Resolution 7** To approve the Proposed Renewal of Share Buy-Back Authority		
8	**Ordinary Resolution 8** To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

(Please indicate with (X) in the appropriate box whether you wish your vote to be cast for or against the resolution. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fits.)

Dated this ____________ day of ____________________________ 2026

Number of Shares held

CDS Account No.

____
Signature/Common Seal of Shareholder(s)

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 21 August 2026. Only a depositor whose name appears on the General Record of Depositors as at 21 August 2026 shall be entitled to attend the said meeting or appoint a proxy to attend and vote on such depositor's behalf.

NOTES:

1. 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.
2. 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.
3. 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.
4. 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.
5. 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:
   (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, 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 Vistra Share Registry and IPO (MY) portal at https://srmy.vistra.com. Please refer to the Administrative Guide for further information on electronic submission.
6. 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.
7. 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), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 28 July 2026.

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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

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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, Malaysia.
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