



2025

INTEGRATED ANNUAL REPORT

MFCB

MEGA FIRST CORPORATION BERHAD

Reg. No . 196601000210 (6682-V)

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BASIS OF THIS REPORT

INTRODUCTION

Mega First Corporation Berhad (MFCB or the Group) is proud to present its second Integrated Annual Report (IAR) for the financial year ended 31 December 2025. Through this IAR, we aim to provide our stakeholders a comprehensive and transparent overview of our business, highlighting the progress of our strategies, governance, performance and future outlook, alongside the integration of sustainable practices into our operations within the context of generating value in the short, medium and long term.

SCOPE AND BOUNDARIES

This report covers the Group's financial and non-financial performance for the period 1 January 2025 to 31 December 2025. The scope of MFCB's report includes the business operations of our subsidiaries, both in Malaysia and internationally. We discuss the effects of internal and external factors on our business performance, material developments, as well as the risks and opportunities that may affect our operations.

REPORTING FRAMEWORK & GUIDELINES

In line with established best practices, MFCB adheres to national and international standards and frameworks to ensure that our report is reliable, comprehensive and consistent. We have adopted selected elements and principles of the International Integrated Report Framework, while acknowledging that the preparation of a full-fledged Integrated Report will be a multi-year journey.

MFCB also complies with the prescribed guidelines and standards of the Malaysian Code on Corporate Governance (MCCG), the Bursa Malaysia Main Market Listing Requirements (MMLR), the Companies Act 2016 and the Malaysian Financial Reporting Standards.

Our ISSB Sustainability Statement (as found within this IAR) is aligned with the National Sustainability Reporting Framework (NSRF) and the International Financial Reporting Standard (IFRS) S1 and S2. Separately, our online Sustainability Report is guided by the Global Reporting Initiative (GRI), Bursa Malaysia's Sustainability Report Guide (3rd Edition), United Nations Sustainable Development Goals and the FTSE ESG Indicators.

MATERIALITY

We address the material matters affecting our businesses, in addition to the identified risks and opportunities. The matters discussed in this report are those that could significantly impact our ability to generate value in the short, medium and long term. Additionally, the report presents the Group's outlook and the steps taken to manage these issues.

FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements that may outline our future plans, strategies, goals and performance. These statements are subject to various known and unknown risks, uncertainties and factors that could cause actual outcomes, performance or achievements to differ significantly from those expressed or implied.

These statements are based on a range of assumptions related to our current and future business strategies and the operating environments we may encounter without guarantee of the outcomes. Such statements can be identified by the usage of words such as "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions.

Therefore, the usage of these terms should not be taken as a representation or guarantee on our part that these plans and objectives will be accomplished.

ASSURANCE

This Report follows stringent internal controls and governance standards, with its release approved by our Board of Directors. We acknowledge that independent assurance is essential to ensuring the accuracy and transparency of the information presented. Accordingly, the reliability of this Report is further reinforced by our independent external auditor, Crowe Malaysia PLT. In addition to auditing the Financial Statements, Crowe Malaysia PLT also read the other financial data and certain non-financial information disclosed within IAR 2025, in accordance with applicable auditing standards, to identify any material inconsistencies with the Financial Statements or their knowledge obtained during the audit. Further, our Internal Audit team undertook a review of selected disclosures, as detailed in the following paragraph.

To enhance the credibility of our sustainability efforts, 12 selected performance metrics under seven (7) sustainability matters have been subjected to an internal review by the Group's Internal Audit function and approved by the Board's Audit Committee (AC). These sustainability matters included Energy Management, Water, Community, Health and Safety, Anti-corruption, Supply Chain Management and Data Privacy and Security. We aim to expand the scope of internal audit review in the next reporting year.

FEEDBACK

We greatly value your feedback and comments on this report. Should you have any inquiries or additional feedback, please contact our Investor Relations team at: ir@mega-first.com

WHO WE ARE/WHAT WE DO

OUR CORE BUSINESS DIVISIONS

RENEWABLE ENERGY DIVISION

HYDROPOWER

MFCB is the developer of the Don Sahong Hydropower Project (DSHP) in southern Lao PDR and the owner of Don Sahong Power Company Ltd (DSPC). In December 2023, MFCB's effective stake in DSPC increased from 80% to 95%.

The DSHP comprises a 325 MW run-of-river hydropower plant, a 1 MWp solar installation, embankments, a switchyard, an operator village and other ancillary facilities. The hydropower plant is located on the Sahong Channel, one of seven Mekong River anabranch channels crossing the Khone Falls and is equipped with five 65 MW turbines in two powerhouses. The first four turbines were completed at the end of 2019, while the fifth turbine was completed in mid 2024.

Our project harnesses a natural fall of about 20 metres over the Sahong Channel's 5 km reach to generate a yield of approximately 2,300 GWh of renewable energy annually, the majority of which is supply to Cambodia.

SOLAR POWER

MFCB's involvement in solar photovoltaic (PV) investments is primarily through its development of Commercial and Industrial (C&I) solar projects in Malaysia since January 2020.

As at end-2025, MFCB Group had installed 33.5 MW of solar capacity for energy sale and is constructing an additional 63.7 MW capacity in Malaysia and Maldives. The completion of these projects will bring our cumulative solar portfolio to a total capacity of 97.2 MW, positioning us for future energy income.

On a side note, solar PV systems with a total installed capacity of 4.149 MWp have been deployed across several of the Group's operations, increasing MFCB's renewable energy usage and supporting its reduction of CO₂ emissions.

PACKAGING DIVISION

MFCB's Packaging Division activities are mainly undertaken by two subsidiary groups led by Hexachase Corporation Sdn. Bhd. (Hexachase Group) and Stenta Films (Malaysia) Sdn. Bhd. (Stenta). Collectively, the Division offers an extensive product portfolio ranging from high-quality laminated flexible packaging materials, paper bag products, converting flexible packaging products, printed labels and stickers. These products are utilised across multiple industries including food and beverages, FMCG, electronics and retail in over 20 countries worldwide.

The Hexachase Group is located in Malacca, Malaysia and comprises two key subsidiaries Hexachase Packaging Sdn. Bhd. (Hexachase Packaging) and Hexachase Flexipack Sdn. Bhd. (Hexachase Flexipack).

Hexachase Packaging achieves a total production capacity of 30,600 tonnes per annum, facilitated by three high-speed machines producing self-opening system (SOS) packaging. The completion of a double-storey warehouse in November 2023 has enabled Hexachase Packaging to cater up to 1,200 pellets of finished goods, bringing total warehouse space to 12,700 sq ft.

Hexachase Flexipack completed a new production site in the final quarter of 2024, extending our operational space by 138,000 sq ft. The facility commenced operations in 2025, significantly expanding the Group's production capabilities from 10,000 tonnes to 20,000 tonnes per annum.

Stenta is one of Malaysia's leading flexible packaging film manufacturers of Biaxially Oriented Polypropylene films (BOPP) and Linear Low Density Polyethylene films (LLDPE). Stenta's films are used in various industries and consumer good items such as food, general overwrap, labels, adhesive tapes and others. Located in Selangor, Malaysia, Stenta acts as a supplier to Hexachase Flexipack while exporting our products throughout Asia, the Middle East, Africa, South America and Europe. In December 2024, Stenta completed the first phase of its expansion plan with the construction of a new factory and addition of new LLDPE film production machines. This development increased our production capacity to approximately 35,000 tonnes per annum.

RESOURCES DIVISION

The Resources Division of MFCB operating across the state of Perak, Malaysia, the division's core activities include the extraction, processing, manufacturing and distribution of high purity quicklime and limestone-based products.

The Resource Division's activities are primarily undertaken by RCI's main subsidiary, RCI Lime Sdn Bhd (RCIL). Supplying lime products both domestically and globally, RCIL exports about two-thirds of our production volume to many reputable clients across the Asia Pacific region, positioning the Group as one of Asia's leading lime manufacturers.

Through its subsidiaries, RCI owns limestone reserves across multiple locations, providing a competitive edge with supply projected to last beyond 75 years at current pace of extraction. Operating advanced lime kilns with fully integrated facilities, we ensure consistent and sustainable supplies to our customers.

With the completion of a major expansion in 2018, our installed kiln capacity more than doubled to nearly 2,000 tonnes per day. This achievement makes us Malaysia's largest commercial quicklime producer, providing a fundamental product for many industries.

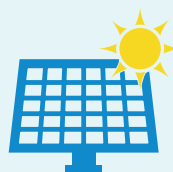
FINANCIAL AND BUSINESS HIGHLIGHTS



RM1.38 billion
(+1.6% year-on-year,
excluding construction revenue)
OPERATING REVENUE



~2,405 GWh
(2,366 GWh hydro + 39 GWh solar)
**RENEWABLE ENERGY
GENERATION**



33.5 MWp
(with 63.7 MW under development)
SOLAR CAPACITY



325 MW
supported by operation of
five (5) turbines at Don Sahong
**HYDROPOWER
CAPACITY**

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE CHAIRMAN

Goh Nan Kioh

NON-INDEPENDENT NON-EXECUTIVE DEPUTY CHAIRMAN

Tay Kheng Chiong

EXECUTIVE DIRECTORS

Khoo Teng Keat

Goh Mei Sze

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Yeow See Yuen

SENIOR INDEPENDENT DIRECTOR

Jesper Bjorn Madsen

INDEPENDENT DIRECTORS

Datin Jeyanthini a/p M. Kannaperan

Dato' Setia Prof Dr Tan Hui Meng

Au Siew Loon

Lui Soek Kuen

AUDIT COMMITTEE

Au Siew Loon (*Chairman*)

Jesper Bjorn Madsen

Lui Soek Kuen

REMUNERATION COMMITTEE

Jesper Bjorn Madsen (*Chairman*)

Datin Jeyanthini a/p M. Kannaperan

Tay Kheng Chiong

NOMINATING COMMITTEE

Datin Jeyanthini a/p M. Kannaperan (*Chairman*)

Yeow See Yuen

Lui Soek Kuen

COMPANY SECRETARY

Foo Wen Yunn

SSM PC No. 202308000796

(MAICSA 7057965)

REGISTERED OFFICE

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Fax: +603-7960 7818

E-mail: mfc@mega-first.com

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Boardroom Share Registrars Sdn Bhd

199601006647 (378993-D)

11th. Floor, Menara Symphony,

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

46200 Petaling Jaya, Selangor Darul Ehsan

Helpdesk: +603-7890 4700

Fax: +603-7890 4670

E-mail: BSR.Helpdesk@boardroomlimited.com

AUDITORS

Crowe Malaysia PLT

201906000005 (LLP0018817-LCA) & AF 1018

STOCK EXCHANGE LISTING

Main Market, Bursa Malaysia Securities Berhad

Stock Code: 3069

Stock Name: MFCB

Sector: Utilities

Subsector: Renewable Energy Electricity

WEBSITE ADDRESS

www.mega-first.com

GROUP STRUCTURE

MFCB

RENEWABLE ENERGY DIVISION

95%	Don Sahong Power Company Ltd
55%	MFP Solar Sdn Bhd
100%	MF Solar Tronoh Sdn Bhd
99%	Mega First Solar (Maldives) Consortium Pvt Ltd
	Other Subsidiaries

PACKAGING DIVISION

75%	Stenta Films (Malaysia) Sendirian Berhad
75%	Stenta Multifilms Sdn Bhd
55.7%	Hexachase Packaging Sdn Bhd
61.8%	Hexachase Flexipack Sdn Bhd
65.7%	Hexachase Labels Sdn Bhd
	Other Subsidiaries

RESOURCES DIVISION

100%	RCI Lime Sdn Bhd
99.6%	Syarikat Cheng Sun Quarry Sdn Bhd
100%	Anting Sendirian Berhad
	Other Subsidiaries

INVESTMENT HOLDING & OTHERS

FOOD SECURITY

40%	Chin Sam Chiap Sdn Bhd
40%	Chin Sam Chiap Pte Ltd
40%	Chin Sam Chiap Plantation Sdn Bhd
40%	HF Agriculture Sdn Bhd
40%	CSC Integrated Herbal Farm Sdn Bhd
100%	Mega First Green Harvest (Cambodia) Co., Ltd
100%	Mega First Plantation (Cambodia) Limited
	Other Subsidiaries

PROPERTY

100%	Gombak Land Sdn Bhd
75%	Idaman Harmoni Sdn Bhd
60%	Paya Emas Sdn Bhd
100%	Mega First Housing Development Sdn Bhd
	Other Subsidiaries

OTHER BUSINESSES

100%	Bloxwich (Malaysia) Sdn Bhd
100%	TT Kinta Sdn Bhd
51%	Setia Alam Medical Centre Sdn Bhd
	Other Subsidiaries

JOINT VENTURES

50%	Edenor Technology Sdn Bhd
	Other Joint Ventures

ASSOCIATES

30%	Chiwadi Products Co., Ltd
30%	Apex Power Industry Sdn Bhd
28.8%	Integrated Smart Technologies Sdn Bhd
	Other Associates

EXECUTIVE CHAIRMAN STATEMENT

Dear Valued Stakeholders,

The financial year 2025 unfolded against a complex and evolving operating landscape. Global trade dynamics remained fluid, geopolitical tensions persisted and currency movements introduced volatility across markets. Domestically, the operating environment was shaped by subsidy rationalisation, tariff adjustments, regulatory changes and rising cost structures across industries.

In addition, an appreciating Ringgit and elevated domestic cost pressures further shaped the operating environment, particularly affecting export-oriented manufacturing activities and the translation of USD-denominated renewable energy income.

Against this backdrop, Mega First Corporation Berhad navigated external pressures with operational discipline and financial prudence. While certain segments encountered cyclical headwinds, particularly within export-oriented and manufacturing activities, the Group's Renewable Energy Division delivered a steady performance, supported by long-term contractual arrangements and reliable asset operations.

Despite softer earnings at the Group level compared with the corresponding period last year, underlying operations remained resilient. Strong operating cash flow generation and reduced net gearing reflect the structural strength of our core assets and our continued focus on prudent financial stewardship.

KEY HIGHLIGHTS OF 2025

The Group recorded several notable developments during the year which shaped our performance and strategic direction.

i) **Strengthening earnings visibility under revised concession framework**

The Supplemental Concession Agreement and Supplemental Power Purchase Agreement for the Don Sahong Hydropower Project became effective on 1 January 2025. The revised framework extends the concession period to 31 December 2049 and restructures the royalty regime through an upfront water rights payment made in December 2024.

Under the revised arrangement, royalties are no longer payable on annual generation up to 2,140 GWh, enhancing earnings stability and reducing sensitivity to hydrological variability within that threshold. While the starting tariff was reset to 6.00 US cents per kWh in 2025, the revised concession terms provide improved long-term visibility over cash flows and asset life.

ii) **Sustained hydropower generation and operational reliability**

Hydropower generation increased year-on-year, supported by the full-year contribution from the fifth turbine commissioned in July 2024. The additional turbine capacity enhanced operational flexibility and mitigated generation risk during scheduled overhaul and maintenance cycles.

Energy availability remained within expected operational parameters, reflecting continued asset reliability and disciplined hydropower plant management and monitoring.

iii) **Balance sheet strengthening and capital discipline**

In 2025, the Group generated post-tax operating cash flow of RM753.5 million and reduced net debt from RM878.1 million to RM564.7 million, after accounting primarily for capital expenditure of RM222.5 million, investments in joint venture and associates of RM87.4 million, dividend distribution of RM115.8 million. Accordingly, net gearing improved significantly from 24.8% to 15.9%.

DELIVERING FINANCIAL RESULTS

In FY2025, the Group's normalised revenue increased by 1.6% to RM1.38 billion (FY2024: RM1.36 billion), supported by the full-year consolidation of CSC Group's results (FY2024: seven months) and stronger revenue from the Packaging division. This increase offset lower sales contributions from the Renewable Energy and Resources divisions.

The Group's normalised profit before tax declined by 6.6% to RM469.4 million (FY2024: RM502.8 million), primarily due to weaker contributions from the Resources and Packaging divisions, as well as higher foreign exchange losses recorded under Investment Holding and Others. Consequently, normalised profit after tax and non-controlling interest decreased by 5.9% to RM437.2 million (FY2024: RM464.6 million).

For more detailed information on the Group's financial performance, please refer to the Management Discussion and Analysis section of this Report.

I am pleased to announce that the total dividend in FY2025 is 9.75 sen per share (FY2024: 9.0 sen), comprising an interim dividend of 4.75 sen per share paid in October 2025 and a final dividend of 5.0 sen per share declared. This reflects our continued commitment to delivering sustainable shareholder returns while maintaining the financial flexibility needed to support ongoing investments.

CREATING SUSTAINABLE VALUE

MFCB remains firmly dedicated to disciplined capital allocation and the creation of sustainable long-term value across its portfolio. In order to achieve these, management will focus on the following core principles:

1. Focus on Core Competencies

Our Renewable Energy Division continues to anchor the Group's earnings profile. To strengthen the resilience of our renewable platform and enhance long-term cash flow visibility, we have continued to advance our solar development pipeline with RM107.5 million in capital expenditure invested towards the development of new solar capacity during the year. We expect the Division's in-progress projects under the Corporate Green Power Programme and ongoing international initiatives to increase installed capacity and further diversify our renewable energy portfolio.

Beyond Renewable Energy, the Group's Resources and Packaging divisions continue to be supported by a solid underlying asset base and integrated operating capabilities. Management remains focused on enhancing operational efficiency, maintaining strict cost discipline and expanding customer diversification in order to sustain competitiveness within an increasingly challenging environment characterised by pricing pressures and rising costs.

2. Rationalising non-core business activities

At the same time, we continue to review the overall composition of the Group's portfolio to ensure that capital is allocated where it can generate sustainable long-term returns. Businesses that no longer align with the Group's strategic priorities or that do not demonstrate the potential to deliver acceptable returns will be assessed carefully. Where appropriate, this may include restructuring, rationalisation or divestment in order to sharpen the Group's strategic focus.

3. Preserving cash reserves

Maintaining financial flexibility remains an important priority. Renewable energy development opportunities can emerge periodically and often require substantial upfront capital commitments. The Group therefore continues to exercise discipline in capital deployment while preserving sufficient balance sheet capacity to pursue attractive opportunities when they arise.

Against this backdrop, we will continue to maintain a prudent balance between reinvestment and shareholder returns. Strong operating cash flow generation, coupled with reduced net gearing, underscores our commitment to preserving financial resilience while positioning the Group for sustainable long-term growth.

ADVANCING SUSTAINABILITY MOMENTUM

Sustainability continues to be firmly embedded in the Group's long-term strategy. In FY2025, the Board and Management undertook a review of the Group's Sustainability Strategy to reflect a clearer understanding of divisional operating realities, enhanced data visibility and evolving reporting expectations.

Since the strategy was first introduced, the Group has gained deeper insight into the level of effort and practical considerations required to achieve its sustainability targets across different divisions. This has enabled the Group to recalibrate certain focus areas, timelines and sub-targets to strengthen execution discipline and ensure alignment with targets that are both achievable and measurable.

FY2025 also marked the Group's first year reporting under the IFRS Sustainability Disclosure Standards. As a first-year adopter, the Group applied the transition reliefs permitted under the Standards, including relief from comparative disclosures and the disclosure of Scope 3 greenhouse gas emissions and proportionality mechanisms within the Standards.

For more information on the Group's sustainability performance, please refer to the standalone Sustainability Report and ISSB Sustainability Statement section in this Report.

UPHOLDING GOOD GOVERNANCE

MFCB remains dedicated to upholding high standards of corporate governance as a cornerstone of long-term value creation.

During the year, the Board continued to provide oversight of the Group's strategic direction, risk management framework and financial performance through structured reporting and regular review processes. Particular emphasis was placed on disciplined capital allocation, maintaining balance sheet strength and monitoring operational risks across the Group's divisions.

The Group remained compliant with all applicable regulatory requirements and the listing obligations of Bursa Malaysia. Internal control systems and risk management processes were also regularly reviewed to ensure they remain robust and responsive to the evolving operating environment.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to express our appreciation to all stakeholders for their continued trust and support.

To our shareholders, we thank you for your confidence in the Group's long-term strategy and disciplined approach to value creation. To our customers, suppliers and business partners, your collaboration remains essential to sustaining our operations and advancing our growth initiatives.

I would also like to acknowledge the dedication and professionalism of our employees across all divisions. Their commitment and adaptability in navigating a more demanding operating environment have been instrumental in sustaining performance and reinforcing operational stability.

Finally, I would like to extend my sincere appreciation to my fellow Board members and the Management team for their stewardship, guidance and leadership throughout the year. Together, we remain committed to strengthening the Group's core foundations while positioning MFCB for sustainable growth and continued progress in the years ahead.



Hydropower

Location: Don Sahong Hydropower Project, Laos

HOW WE CREATE VALUE

MATERIAL MATTERS

The Group's material matters have been refreshed this year to reflect our alignment with the IFRS Sustainability Disclosure Standards (IFRS SDS). The IFRS SDS requires companies to consider climate-related risks and opportunities (CROs) and sustainability-related risks and opportunities (SROs) that are financially-material to the business and these have been identified through extensive discussions with executive and senior management from all our Divisions. These CROs and SROs are tagged below (*) as part of our wider list of material matters that are relevant to our range of stakeholders and industry partners. These material matters have been updated this year through careful observations from peer research, industry standards and global reporting frameworks and sustainability ratings.

Note: Topics marked with an (*) signifies financially-material CROs and SROs identified as part of the IFRS SDS and are reported on accordingly in the ISSB Sustainability Statement. Innovation and Product Responsibility (from previous reports) has been merged with relevant topics on Emissions and Waste.

ENVIRONMENT

MATERIAL ISSUES	RELEVANT UN SDGs
Biodiversity*	 
Energy Consumption*	 
GHG Emissions and Climate Change*	
Circular Economy	
Water	

GOVERNANCE

MATERIAL ISSUES	RELEVANT UN SDGs
Ethics and Compliance	
Sustainable Supply Chain	

SOCIAL

MATERIAL ISSUES	RELEVANT UN SDGs
Diversity and Equal Opportunity	  
Employee Training and Development	
Employee Wellness and Engagement	
Fair Labour Practices and Human Rights	 
Occupational Health and Safety*	
Local Communities	       

STAKEHOLDER ENGAGEMENT

STAKEHOLDER	ENGAGEMENT METHODS	FREQUENCY	AREAS OF STAKEHOLDER CONCERN	OUTCOME OF ENGAGEMENTS
Customers	- Emails and phone calls - Meetings and site visits - Website	- Annually - Ongoing	- Competitive pricing - Product quality - On-time deliveries - Ability to fulfil contracts - Innovation - Licensing and certifications - Sustainability of products and services - Ethical business practices	Regular engagement with customers enables early discussions on contract terms and pricing adjustments to address fluctuations in production costs while monitoring evolving market expectations. Customer audits conducted across the Group, including those guided by SEDEX principles and the SMETA methodology, provide an additional platform to review compliance with ethical sourcing and operational standards. Annual customer satisfaction surveys provide structured feedback on product quality and service performance, allowing management to identify areas for improvement and respond to customer expectations.
Employees	- Annual performance appraisal - Interview - Briefings - Training	- Annually - Ongoing	- Group financial performance - Business strategy and direction - Remuneration and benefits - Training and career development - Work life balance - Workplace health and safety - Ethical business practices	Quarterly briefings provide employees with updates on the Group's financial performance and strategic direction, helping them understand business priorities and organisational developments. Direct engagement channels with management and human resource personnel allow employees to raise concerns related to welfare, workplace expectations and career development. Ongoing professional training programmes strengthen workforce capabilities and ensure employees remain aligned with industry requirements and evolving job expectations.
Government and Regulatory Bodies	- Compliance reports - Dialogue sessions - Direct contacts - Industry events and seminars - Official meetings and briefings - Site visits	- Annually - Quarterly - Monthly - Ongoing	- Legal and regulatory compliance - Community investment and development - Environmental management - Labour practices - Occupational health and safety record - Opportunities for local and foreign business investment to create employment and revenue - Ethical business practices	Regular regulatory submissions ensure compliance with reporting requirements and provide authorities with timely information on operational and environmental matters. Ongoing dialogue and participation in industry platforms facilitate coordination with government agencies on regulatory developments, investment opportunities and matters affecting the broader operating
Local Community	Outreach programmes	- Annually - Monthly - Ongoing	- Community investment and development - Job creation - Charitable contributions - Environmental management and protection - Ethical business practices	Community outreach programmes provide opportunities to engage with local stakeholders and understand community priorities in areas such as employment, development initiatives and environmental management. During the year, we welcomed interns from nearby educational institutions to provide students with practical work experience and exposure to the industry. A total of 51 students completed their internships across the MFCB Group. In addition, we contributed RM429,536 to support local communities through various outreach initiatives during the year. <i>Further details of our community engagement efforts are provided on page 14 in this IAR and 27–29 in our Sustainability Report 2025 (online).</i>

STAKEHOLDER	ENGAGEMENT METHODS	FREQUENCY	AREAS OF STAKEHOLDER CONCERN	OUTCOME OF ENGAGEMENTS
Suppliers and Business Partners	- Meetings and site visits - Dialogue sessions - Emails and phone calls	- Annually - Quarterly - Ongoing	- Capability development and knowledge sharing - Ability to fulfil contracts - Innovation - Licensing and certifications - Sustainability of products and services - Ethical business practices	Engagement sessions with suppliers facilitate contract reviews and discussions on cost developments, industry trends and operational requirements across the supply chain. Collaboration with suppliers also enables process improvements and the adoption of new equipment to enhance operational efficiency and cost management. We continued to engage our Tier 1 suppliers across our three core divisions and provided training to the majority of them to support understanding and formal acknowledgement of MFCB's Responsible Sourcing Policy. <i>Further details are provided on pages 30-31 in our Sustainability Report 2025 (online).</i>
Shareholders & Investors	- Analyst and investors briefings - Announcements on Bursa Malaysia website - Corporate website - Shareholders Annual General Meeting - Dialogue sessions - Emails and phone calls	- Annually - Quarterly - Ongoing	- Group financial performance - Business strategy and direction - Transparency of information - Organisational growth - Sustainability efforts - Ethical business practices	Quarterly results briefings provide shareholders and the investment community with updates on financial performance and business developments, including open question and answer sessions. Information presented during these briefings is subsequently made publicly available through the company website to facilitate transparency and access to corporate information. In 2025, we participated in a number of engagements with financial and fund management institutions to communicate our sustainability strategy and related performance updates.



Hydropower
Location: Don Sahong Hydropower Project, Laos

OUR MARKET LANDSCAPE

RENEWABLE ENERGY

The renewable energy sector in Southeast Asia continues to be shaped by rising electricity demand, national decarbonisation commitments and the need to strengthen energy security. Across the region, hydropower and solar energy continue to play important roles in expanding low-carbon generation capacity, although the pace and nature of development differ across technologies and markets.

Hydropower remains an important component of the region's renewable energy mix due to its ability to provide relatively stable and flexible low-carbon power. However, new hydropower development opportunities are generally more selective, given the site-specific nature of projects, long development timelines and high capital requirements. Climate variability also remains a key consideration, as changes in hydrology may affect long-term generation patterns and project economics.

Solar energy continues to offer broader growth opportunities across Southeast Asia as governments and utilities expand renewable energy targets and seek to meet rising power demand with lower-carbon sources. In Malaysia, the National Energy Transition Roadmap continues to provide policy support for renewable energy expansion, with solar expected to remain a key contributor to the country's evolving generation mix. As renewable energy penetration increases, supporting infrastructure such as grid upgrades and energy storage systems is also becoming more important to facilitate integration and enhance system reliability.

Overall, the renewable energy sector continues to present opportunities for long-term investment, supported by policy direction, growing demand for clean energy and increasing interest in new procurement models. At the same time, project development is becoming more dependent on grid readiness, transparent procurement processes and commercially viable returns. In this environment, disciplined project selection and access to supporting infrastructure will remain important factors in the successful execution of renewable energy investments.



Solar power
Location: Feydhoo Harbour, Maldives

PACKAGING

The packaging industry in Malaysia and Southeast Asia continues to be supported by structural demand drivers, including urbanisation, population growth and the steady expansion of modern retail and e-commerce. Packaging remains an essential component across food, consumer goods and industrial supply chains, with demand spanning both paper-based and flexible packaging formats.

Flexible packaging continues to be widely adopted due to its cost efficiency, lightweight characteristics and ability to protect product quality. Demand is primarily driven by packaged food and fast-moving consumer goods, where shelf life, convenience and transportation efficiency are important considerations. At the same time, the competitive landscape remains influenced by supply conditions in China, where industry overcapacity continues to affect regional pricing dynamics. Larger multinational customers, with higher volume requirements, are better positioned to manage these conditions, while competition for price-sensitive volumes remains intense.

The paper bags segment continues to benefit from sustainability-driven substitution away from certain plastic applications. Market studies indicate that the global paper bags segment is expected to grow at a mid single-digit pace over the medium term, with estimated CAGR in the range of 5% to 6%, reflecting regulatory pressure and changing brand and consumer preferences. Growth is supported by regulatory measures targeting single-use plastics and changing brand and consumer preferences, particularly in retail and food-related uses.

However, the segment has also become more competitive, with new entrants adding capacity. Trade measures and tariffs applied at varying levels across countries have influenced buyer sourcing decisions, particularly for price-sensitive customers, who may shift volumes to lower-duty markets. Currency movements, including a weaker USD, further affect realised revenue for export-oriented producers, requiring higher volumes to achieve comparable revenue outcomes.

Across the industry, sustainability requirements are increasingly shaping packaging design and material choices. Demand is rising for solutions that improve recyclability, reduce material usage or incorporate recycled content. While these shifts create opportunities for innovation, they also introduce cost and execution challenges, as developing new materials and structures often requires investment in research, equipment and process changes.

Despite long-term growth prospects, the industry remains exposed to near-term risks. These include overcapacity across parts of the supply chain, cost pressures from raw materials, energy and labour, as well as exposure to global supply chain disruptions and shifts in consumer demand. Navigating these conditions while maintaining cost competitiveness and meeting evolving regulatory and customer requirements remains a key challenge for industry participants.



Packaging process



STENTA building
Location: Bandar Baru Bangi, Selangor

RESOURCES

Demand for limestone and quicklime across Asia Pacific continues to be driven mainly by industrial activity, particularly in steel, construction, mining and environmental applications such as water and wastewater treatment. These end markets tend to move in cycles, which can result in fluctuations in demand volumes and pricing conditions for producers.

In 2025, global trade developments added pressure to parts of the regional steel value chain, with knock-on effects on upstream industrial materials. At the same time, supply conditions in China continued to influence competitive dynamics across Asia, contributing to pricing pressure in certain markets as producers sought outlets beyond their domestic base.

Logistics conditions also remained an area of uncertainty. While supply chains adjusted to earlier disruptions in major shipping routes, changes in routing and transit times continued to affect freight planning and delivered costs for industrial products. These factors reinforced the need for producers to manage costs and inventory carefully in a more volatile operating environment.



*Lime Kiln
Location: Gopeng, Perak*



*Limestone
Location: Gopeng, Perak*



*Stock check at warehouse
Location: Gopeng, Perak*

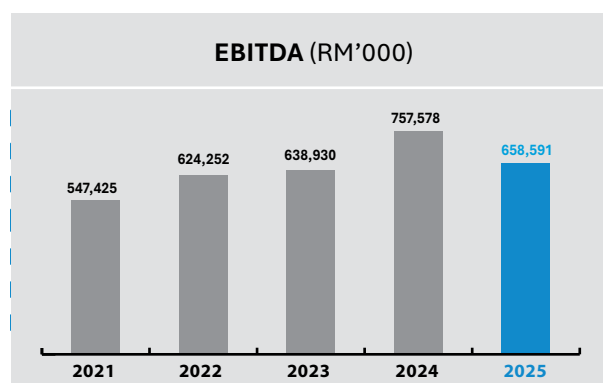
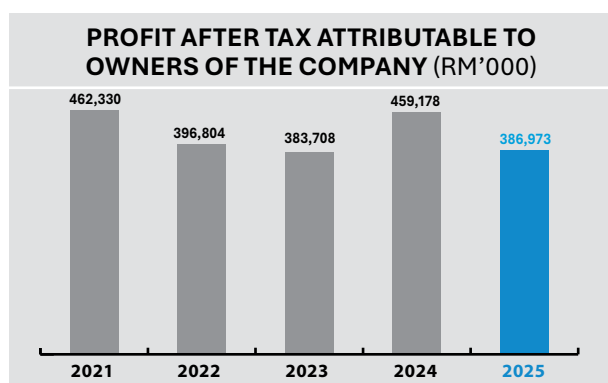
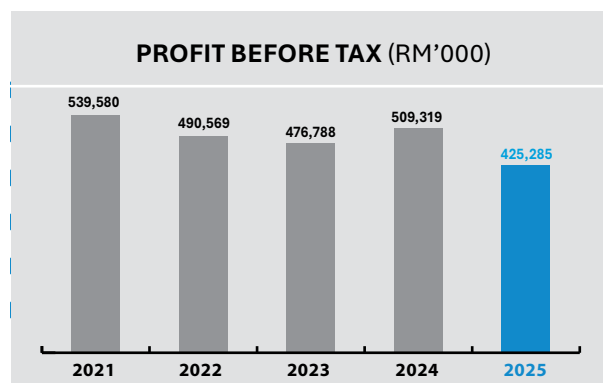
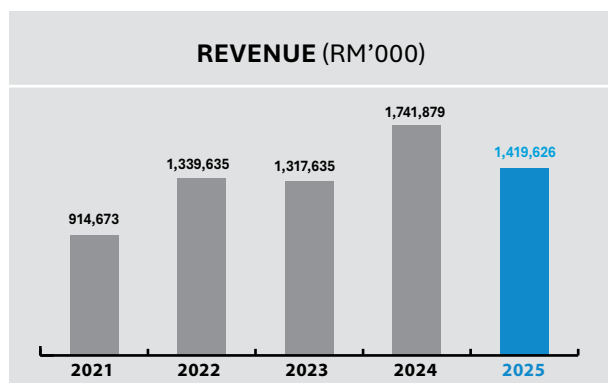
OUR VALUE CREATION MODEL

CAPITAL	INPUTS	OUTPUTS & OUTCOMES
Financial The pool of funds available to aid all aspects of the value creation process.	- Revenue: RM1.42 billion (including construction revenue) - Market Capitalisation: RM3.33 billion (as at 31 December 2025) - Total shareholders fund: RM3.35 billion (excluding non-controlling interests) - Net debt/equity ratio: 15.9% - Capex and investments: RM310.9 million	- Profit before tax: RM425.3 million - Dividend: 9.75 sen per share - Dividend payout ratio: 23.7%
Human The backbone of the business.	1,646 Employees - Offline and online training and development activities 770 employees trained on health and safety standards - Strong adherence to fair labour and human rights	75.4 % male, 24.6% female 30% Board of Directors are women - Total training hours: 14,795 hours 1.85 Loss Time Incident Rate (for every 200,000 man-hours worked) - Zero work-related fatalities
Social and Relationship The relationships we have with our stakeholders such as the authorities, suppliers, customers and communities.	- Contributions to communities that we impact through educational, livelihood and infrastructure support - Responsible Sourcing Policy for our Tier 1 suppliers/ESG training of Tier 1 suppliers - Strong customer engagement to strengthen relationships	- RM429,536 invested in community initiatives benefiting 201,099 beneficiaries - Total procurement spend of RM787.64 million in 2025 with 72.5% spent on local suppliers.
Natural The raw materials required to produce our products.	- Energy Consumed: 2.03 million GJ 187 Megalitres third-party water withdrawn - MFCB Biodiversity Conservation Strategy	- Scope 1 GHG Emissions: 451,938 tCO₂e - Scope 2 GHG Emissions: 56,303 tCO₂e - Scope 3 GHG Emissions: 244,279 tCO₂e - Renewable Energy generated: 2,426,578 MWh - Total Carbon Avoidance through renewable energy generation: - Generated RE (Hydropower and Solar) for sale avoided: 1,353,802 tCO₂e - Generated RE (Hydropower and Solar) for internal consumption: 6,511 tCO₂e - Waste generated: 10,480 tonnes - Waste diverted from disposal: 9,849 tonnes 30,000 fingerlings released in 2025 2,000 tree seedlings planted in 2025
Manufacturing Our physical assets, infrastructure and production facilities that enable the efficient creation of goods and services.	Renewable Energy: 325 MW hydro generation capacity (DSHP) 33.5 MWp installed solar capacity Packaging: - Hexachase Group >240,000 sq ft factory space >12,000 sq ft warehouse space >30,000 tonnes production capacity per annum - Stenta >35,000 tonnes production capacity per annum Resources: - Kiln capacity of about 2,000 tonnes per day	Renewable Energy: - Energy output of 2,405 GWh for 2025 - Hydropower Energy Availability Factor – 83.1% Packaging: - Hexachase sales: RM211.5 million - Stenta sales: RM221.0 million Resources: - Production volume of 419,105 tonnes lime products

MANAGING OUR RISKS

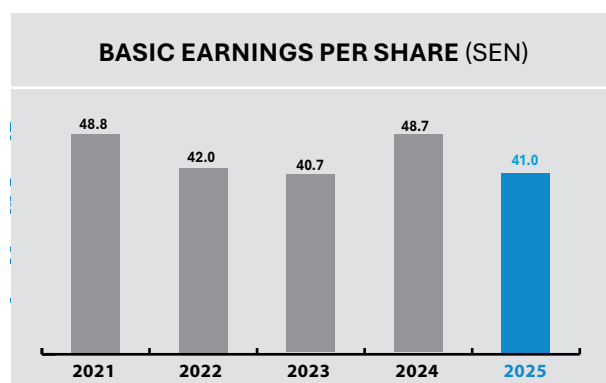
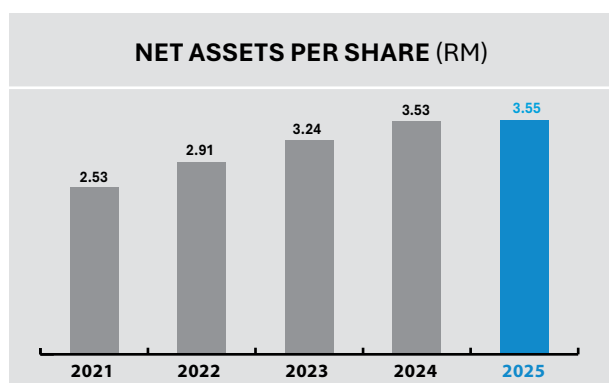
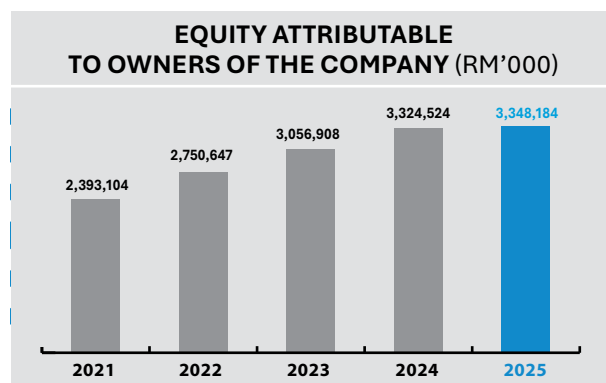
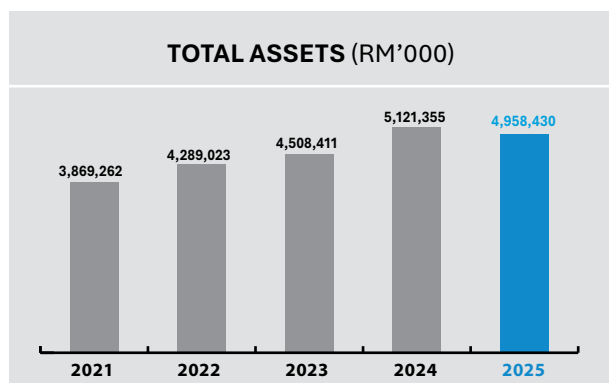
RISK	IMPACT	MITIGATION	OPPORTUNITIES
Strategic and Business Risks	Arise from shifts in the business environment, market competition and evolving customer preferences. These risks may result in ineffective strategies or business models that do not align with market trends, innovation requirements or long-term planning objectives.	Establishing and adhering to a clear strategic direction, supported by structured risk management practices and ongoing research and development.	Alignment of strategy with emerging market trends can create growth opportunities through innovation and new product development.
Operational Risks	Relate to potential failures in internal processes, systems or human factors that may disrupt day-to-day operations. This includes risks arising from supply chain interruptions, manufacturing defects or equipment breakdowns.	Implementation of decentralised operational management at the division level, guided by standard operating procedures and established control frameworks.	Improved operational efficiency and stronger process management through structured decentralisation and operational discipline.
Financial and Commercial Risks	Involve potential financial losses arising from credit exposure, liquidity constraints, interest rate movements, foreign exchange volatility or commodity price fluctuations. For companies operating across international markets, currency and commodity movements can affect profitability.	Continuous monitoring and management of credit exposure, liquidity, interest rate sensitivity, foreign exchange positions and commodity price risks.	Effective financial risk management can enhance capital allocation decisions and strengthen financial planning and investment outcomes.
Governance and Compliance Risks	Relate to non-compliance with applicable laws, regulations or internal governance standards, which may result in legal penalties, regulatory action or reputational impact.	Delegation of compliance oversight to relevant department heads with appropriate expertise and accountability.	Strengthening compliance frameworks can enhance governance practices and reduce operational and regulatory risks.
Sustainability and Climate-related Risks	Sustainability and climate-related matters may affect the Group's operations and financial position. These include regulatory developments, transition risks associated with the shift to a lower-carbon economy as well as physical climate-related risks.	Management conducted an initial assessment of sustainability and climate-related matters. These risks are monitored as part of the Group's broader risk management framework.	Proactive identification and management of sustainability and climate-related risks can strengthen long-term resilience and align with evolving regulatory requirements in a lower-carbon economy.
Corruption Risks	Arise from unethical conduct such as bribery, fraud or conflicts of interest, which may lead to legal consequences, financial loss or reputational damage.	Enforcement of a zero-tolerance approach to corruption and adherence to the Anti-Bribery and Corruption Policy.	Strong anti-corruption practices reinforce organisational integrity and strengthen stakeholder confidence.

FIVE-YEAR FINANCIAL HIGHLIGHTS



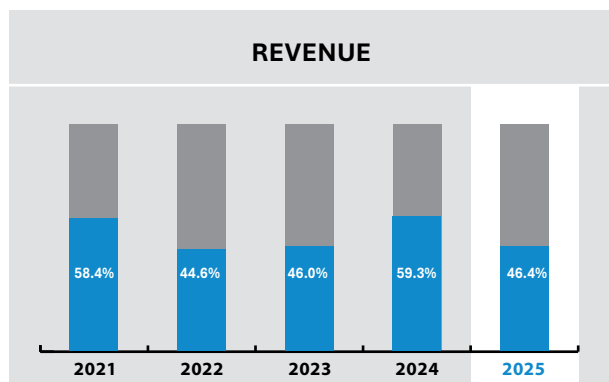
Financial Year Ended 31 December	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Consolidated Statements of Profit or Loss and Other Comprehensive Income					
Revenue	914,673	1,339,635	1,317,635	1,741,879	1,419,626
Earnings before interest, taxes, depreciation and amortisation* (EBITDA)	547,425	624,252	638,930	757,578	658,591
Profit before tax	539,580	490,569	476,788	509,319	425,285
Profit after tax	530,665	475,727	451,640	491,018	404,690
Profit after tax attributable to owners of the Company	462,330	396,804	383,708	459,178	386,973

* EBITDA excludes share of profit/(loss) in equity accounted investments.

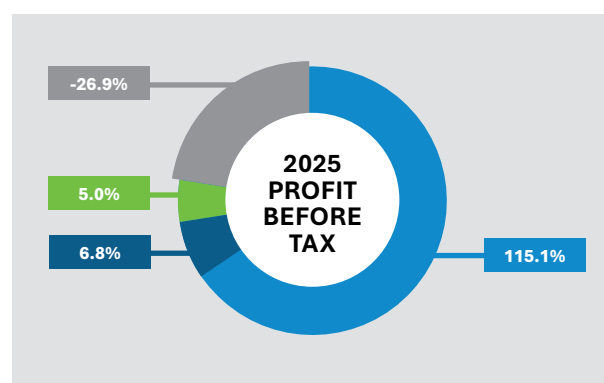
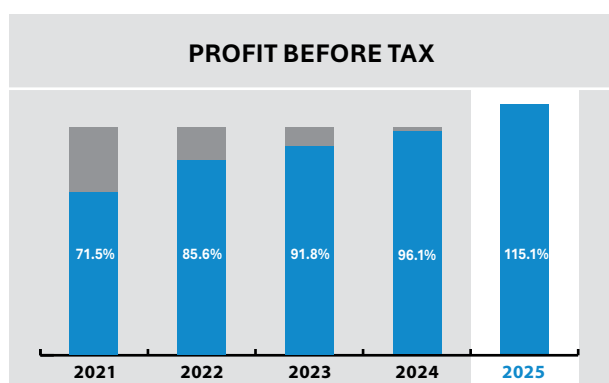
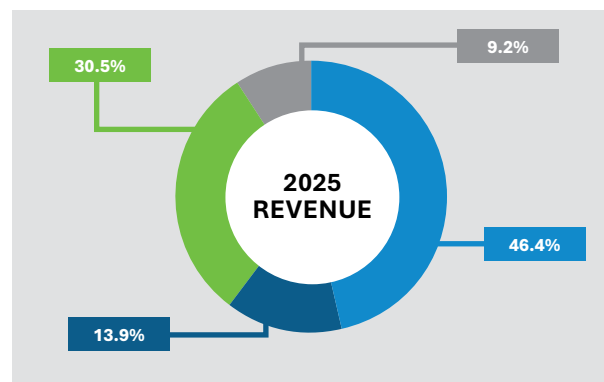


Financial Year Ended 31 December	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Consolidated Statements of Financial Position					
Total assets	3,869,262	4,289,023	4,508,411	5,121,355	4,958,430
Total bank borrowings, excluding hire purchase	777,881	712,953	901,331	1,146,440	1,030,813
Total Equity	2,739,576	3,191,026	3,224,018	3,544,454	3,554,205
Equity Attributable to Owners of the Company	2,393,104	2,750,647	3,056,908	3,324,524	3,348,184
Bank balances and deposits	257,649	492,254	508,587	268,320	466,133
Financial Indicators					
Return on equity (%)	19.3%	14.4%	12.6%	13.8%	11.6%
Return on total assets (%)	13.7%	11.1%	10.0%	9.6%	8.2%
Net Gearing ratio (%)	19.0%	6.9%	12.2%	24.8%	15.9%
Net assets per share (RM)	2.53	2.91	3.24	3.53	3.55
Dividend per share (sen)	6.75	7.45	8.25	9.00	9.75
Gross dividend yield (%)	1.9%	2.2%	2.2%	2.0%	2.9%
Interest cover (times)	26.9	17.6	12.9	9.2	9.6
Basic earnings per share (sen)	48.8	42.0	40.7	48.7	41.0
Price earning ratio (times)	7.2	7.9	9.1	9.4	8.2
Share price as at the financial year end (RM)	3.50	3.32	3.69	4.59	3.37

● Renewable energy ● Other divisions/segments



● Renewable energy* ● Resources ● Packaging
● Investment holding and others^



* Included construction revenue/profit arising from concession service arrangements.

^ Included non-recurring/other items.

Financial Year Ended 31 December	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Revenue					
Renewable Energy	533,864	596,925	605,894	649,003	619,525
Packaging	208,217	398,964	402,341	399,167	432,484
Resources	154,880	206,324	202,893	223,621	198,042
	896,961	1,202,213	1,211,128	1,271,791	1,250,051
Investment Holding and Others	17,712	137,422	106,507	86,841	130,142
Construction Revenue on Service Concession Arrangements	-	-	-	383,247	39,433
Total	914,673	1,339,635	1,317,635	1,741,879	1,419,626
Profit Before Tax					
Renewable Energy	385,585	419,698	437,557	452,751	464,520
Packaging	22,219	33,546	33,600	29,282	21,316
Resources	16,725	17,385	23,297	47,322	28,756
	424,529	470,629	494,454	529,355	514,592
Investment Holding and Others	(5,606)	2,345	17,687	(26,563)	(45,161)
Non-recurring/Other Items	120,657	17,595	(35,353)	6,527	(44,146)
Total	539,580	490,569	476,788	509,319	425,285

MANAGEMENT DISCUSSION AND ANALYSIS

1.0 FINANCIAL PERFORMANCE

Financial Year Ended 31 December		2025	2024	Changes	
		RM'000	RM'000	RM'000	%
A Overview of Financial Results					
Revenue		1,419,626	1,741,879	(322,253)	-18.5
Other income		52,790	101,107	(48,317)	-47.8
Other expenses ^o		(44,856)	(39,426)	(5,430)	13.8
Earnings before interest, taxes, depreciation and amortisation (EBITDA)*		671,513	725,752	(54,239)	-7.5
Operating profit		549,036	637,744	(88,708)	-13.9
Profit before tax		425,285	509,319	(84,034)	-16.5
Profit after tax		404,690	491,018	(86,328)	-17.6
Profit after tax attributable to owners of the Company		386,973	459,178	(72,205)	-15.7
B Revenue					
Renewable Energy		619,525	649,003	(29,478)	-4.5
Resources		198,042	223,621	(25,579)	-11.4
Packaging		432,484	399,167	33,317	8.3
Investment Holding and Others [^]		130,142	86,841	43,301	49.9
Normalised Revenue		1,380,193	1,358,632	21,561	1.6
Construction revenue on service concession arrangements		39,433	383,247	(343,814)	-89.7
Reported Revenue		1,419,626	1,741,879	(322,253)	-18.5
C Profit Before Tax					
Renewable Energy		464,520	452,751	11,769	2.6
Resources		28,756	47,322	(18,566)	-39.2
Packaging		21,316	29,282	(7,966)	-27.2
Investment Holding and Others [^]		(45,161)	(26,563)	(18,598)	70.0
Normalised Profit Before Tax		469,431	502,792	(33,361)	-6.6
Non-recurring items					
Insurance income for assets damaged by fire in 2023		-	31,826	(31,826)	-100.0
Construction profit on service concession arrangements		5,017	36,639	(31,622)	-86.3
Over-accrual of construction costs for 5th turbine		20,102	-	20,102	N.A
Writeback of expected credit loss on amount owing by EDL from conversion of trade balance into long term receivable		-	10,759	(10,759)	-100.0
Other items					
Share of loss in joint venture and associates		(74,252)	(66,242)	(8,010)	12.1
Fair value gain on put option liability		4,454	1,539	2,915	189.4
Fair value gain/(loss) on investment properties		533	(7,994)	8,527	N.M
		(44,146)	6,527	(50,673)	-776.4
Reported Profit Before Tax		425,285	509,319	(84,034)	-16.5

[^] - Inclusive of foreign exchange loss (17,229) (4,134) (13,095) 316.8

^o - Other expenses includes net impairment losses on financial assets.

* - EBITDA excludes share of profit/(loss) in equity accounted investments and insurance claims income.

N.A - Not applicable.

N.M - Not meaningful.

Financial Year Ended 31 December		2025	2024	Changes	
		RM'000	RM'000	RM'000	%
D PATNCI					
Renewable Energy		447,409	434,325	13,084	3.0
Resources		21,813	36,904	(15,091)	-40.9
Packaging		10,539	15,798	(5,259)	-33.3
Investment Holding and Others		(42,606)	(22,398)	(20,208)	90.2
Normalised PATNCI		437,155	464,629	(27,474)	-5.9
Non-recurring items					
Insurance income for assets damaged by fire in 2023		-	17,672	(17,672)	-100.0
Construction profit on service concession arrangements		4,265	30,190	(25,925)	-85.9
Over-accrual of construction costs for 5th turbine		15,048	-	15,048	N.A
Reversal of deferred tax liability from extension of concession term, under SCA		-	6,573	(6,573)	-100.0
Writeback of expected credit loss on amount owing by EDL from conversion of trade balance into long term receivable		-	10,221	(10,221)	-100.0
Other items					
Share of loss in joint venture and associates		(74,252)	(66,242)	(8,010)	12.1
Fair value gain on put option liability		4,454	1,539	2,915	189.4
Fair value gain/(loss) on investment properties		303	(5,404)	5,707	N.M
		(50,182)	(5,451)	(44,731)	820.6
Reported PATNCI		386,973	459,178	(72,205)	-15.7

N.A - Not applicable.

N.M - Not meaningful.

In 2025, the Group's revenue decreased by 18.5% year-on-year to RM1,419.6 million, from RM1,741.9 million in 2024. This was primarily due to lower construction revenue on service concession arrangements, which dropped from RM383.2 million to RM39.4 million after completion of the fifth turbine at the Don Sahong Hydropower Plant (DSHP) in 2024. Other contributing factors included lower revenue from Renewable Energy (-4.5%) and Resources (-11.4%) which was partly offset by the increase in sales turnover driven by full-year consolidation of CSC Group results (vs. 7 months in FY2024) and an 8.3% increase in Packaging revenue.

The three core divisions collectively recorded a marginal decline of 2.8% in pre-tax profit (excluding one-off gains) to RM514.6 million, compared with RM529.4 million in 2024. This was mainly due to a 39.2% decrease in profit from the Resources Division to RM28.8 million and a 27.2% fall in profit from the Packaging Division to RM21.3 million, partially offset by a 2.6% improvement in profit from the Renewable Energy Division to RM464.5 million.

Overall, the Group's pre-tax profit declined by 16.5% to RM425.3 million from RM509.3 million in 2024. This was mainly due to a RM31.6 million drop in construction profits, absence of RM31.8 million insurance claim income, wider forex losses from RM4.1 million to RM17.2 million, higher share of losses in joint venture/associates, and absence of one-off expected credit loss write-back, partially offset by a write-back of over-accrued construction costs for the fifth turbine and higher fair value gain on investment properties.

Profit after tax and non-controlling interests (PATNCI) declined to RM387.0 million from RM459.2 million in 2024. On a normalised basis, excluding associates, joint ventures, construction profits and non-operating items, PATNCI decreased to RM437.2 million compared to RM464.6 million previously.

2.0 RENEWABLE ENERGY DIVISION

2.1 PERFORMANCE IN 2025

In 2025, the Renewable Energy Division's revenue declined by 4.5% to RM619.5 million from RM649.0 million in 2024. Hydro energy sales decreased mainly due to a 6.4% foreign exchange translation loss and a 3.6% lower weighted average tariff following the implementation of the Supplemental Power Purchase Agreement (SPPA) effective 1 January 2025. These factors were partly offset by a 5.5% increase in hydro energy sales volume to 2,366 GWh following the full-year operation of the fifth turbine. Average Energy Availability Factor of DSHP decreased marginally to 83.1%, compared to 86.8% in 2024 due to dilution by the fifth turbine.

Solar energy sales increased by 13.3% to RM11.5 million during the year as additional capacities were progressively commissioned.

The Division reported normalised pre-tax profit of RM464.5 million in 2025, compared to RM452.8 million in 2024. The improvement was mainly due to lower net royalty expenses following the acquisition of water rights, lower amortisation charges arising from the extension of the concession period pursuant to Supplemental Concession Agreement (SCA) starting 1 January 2025 and lower turbine overhaul costs, albeit lower revenue.

	COMPLETED CAPACITY AS AT 31 DECEMBER 2024	CAPACITY INSTALLED IN 2025	REMAINING CAPACITY SECURED/ UNDER CONSTRUCTION	TOTAL CAPACITY
Hydropower	325.0 MW	-	-	325.0 MW
Solar	31.3 MW	2.2 MW	63.7 MW	97.2 MW
Total	356.3 MW	2.2 MW	63.7 MW	422.2MW

KEY PERFORMANCE METRICS	2023	2024	2025
Revenue ~ (RM 'million)	RM605.9	RM649.0	RM619.5
Profit before Tax ! (RM 'million)	RM437.6	RM452.8	RM464.5
Energy Availability Factor (EAF)	91.4%	86.8%	83.1%
Power generated from for sale:			
- Hydropower (GWh)	2,082.87	2,238.58	2,365.59
- Solar (GWh)	28.23	34.32	39.12

~ excludes construction revenue

! excludes construction profit and non-recurring gains/expenses

2.2 KEY INITIATIVES

2.2.1 HYDROPOWER

The Don Sahong Hydropower Plant continues to serve as the cornerstone of the Group's renewable energy portfolio. The commissioning of the fifth turbine in July 2024 increased the plant's total installed capacity to 325 MW and strengthened its ability to deliver consistent long-term power supply to Electricite du Laos (EDL).

The fifth turbine also plays an important operational role where the hydropower facilities is able to maintain generation capacity while scheduled overhaul and maintenance carried out to any turbine at each point of time.

2.2.2 SOLAR POWER

The Solar Division continued to expand its portfolio during the year through installations for commercial and industrial customers. As at 31 December 2025, the Group had approximately 33.5 MWp of solar generation capacity installed.

The Group is also progressing large scale solar projects as part of its renewable energy portfolio expansion. These include a 51.0 MW solar farm project in Malaysia under the Corporate Green Power Programme and an 11.4 MW solar project with a state utility company in the Republic of Maldives.

2.3 KEY TRENDS, RISKS AND OPPORTUNITIES

2.3.1 CURRENCY FLUCTUATIONS

As the hydropower business generates revenue in US Dollars (USD) while the Group reports its financial results in Malaysian Ringgit (RM), fluctuations in the USD/RM exchange rate may affect the Group's reported financial performance and net asset position.

Accordingly, movements in the exchange rate between the two currencies will influence the translation of hydro revenue, costs and assets into the Group's reporting currency.

2.3.2 OPERATIONAL RISK

Operational risk associated with turbine availability remains an important consideration for the hydropower business. Scheduled maintenance and major overhauls are required periodically to ensure the continued reliability of turbine operations and to minimise the risk of forced outages.

The completion of the fifth turbine prior to the commencement of the overhaul programme has strengthened the plant's operational flexibility, allowing maintenance activities to be undertaken while maintaining overall generation capacity.

2.3.3 RENEWABLE ENERGY OPPORTUNITIES

Malaysia's National Energy Transition Roadmap (NETR) continues to support the development of renewable energy in the country and may present further opportunities for the Group to expand its renewable energy portfolio.

The Group will continue to evaluate new renewable energy development opportunities as part of its long-term strategy to grow its clean energy business.

2.4 DIVISION OUTLOOK

2.4.1 HYDROPOWER

Revenue may face headwinds if the USD continues to depreciate against the RM. This is alongside plans to overhaul two turbines in 2026 compared to one in 2025, which will likely cause a mild dip in hydro energy generation, even as the tariff increases from 6.00 cents to 6.05 cents effective January 1, 2026.

Overall, the Division's pre-tax USD earnings are projected to remain broadly stable year-on-year. In RM terms, pre-tax profit may be impacted if USD depreciate.

2026 also marks the end of Don Sahong's tax-free period. Hydropower profits will incur a 5% corporate tax starting 1 January 2026, as per the SCA.

2.4.2 SOLAR POWER

We expect revenue and earnings grow year-on-year, bolstered by two large-scale solar plants totalling 62.4 MWp slated for commissioning in the second quarter of 2026.

The Group remains committed to pursuing new opportunities in Malaysia via the Corporate Renewable Energy Supply Scheme (CRESS) and Battery Energy Storage Scheme (BESS) and renewable projects in the region.

2.4.3 ENHANCED GENERATION CAPACITY

The new additional solar capacities will elevate the Group's total installed renewable energy capacity from the current 358.5 MWp to 422.2 MWp, with hydro accounting for 77% and solar 23% of the expanded capacity.

3.0 PACKAGING DIVISION

3.1 PERFORMANCE IN 2025

In the year under review, Hexachase Group and Stenta Group recorded mixed performance across their respective segments, reflecting differences in product exposure, customer mix and timing of demand. Across the Packaging Division, operating conditions in 2025 were shaped less by broad-based inflationary pressure and more by persistent overcapacity across the supply chain, heightened competition and trade-related disruptions.

As a mainly export-oriented business, the Division was affected by tariff measures and shifts in global trade flows that intensified competition in non-US markets, while weaker currency conditions affected realised revenue. These factors, combined with softer end-market demand in certain segments, placed pressure on margins and reinforced the importance of cost discipline, utilisation management and selective product and market positioning.

Despite this challenging environment, revenue rose 8.3% to a record RM432.5 million in 2025 from RM399.2 million in 2024, driven by intensified marketing following the capacity expansion. Profit before tax declined by 27.2% to RM21.3 million from RM29.3 million in 2024, pressured by sub-optimal post-expansion utilisation, intense price competition, weak export currency values and higher inventory write-downs.

KEY PERFORMANCE METRICS	2023	2024	2025
Revenue^ (RM million)	402.3	399.2	432.5
Profit before Tax* (RM million)	33.6	29.3	21.3

^ after elimination of intra-group sales transactions

* excludes non-recurring gains/expenses and after consolidation adjustments

3.2 KEY INITIATIVES

3.2.1 HEXACHASE GROUP

For Hexachase Group, paper packaging delivered strong growth on the back of successful tender wins and improved operating readiness, while Flexipack recorded sales growth amid continued utilisation and margin pressures.

KEY PERFORMANCE METRICS	2023	2024	2025
Revenue (RM million)	188.3	184.0	211.5
Profit before Tax (RM million)*	9.4	5.0	3.4

* excludes non-recurring gains/expenses

For Hexachase, priorities during the year included:

1. Restoring operating readiness in paper packaging by addressing manpower constraints that had limited machine utilisation. Following improved access to labour, workforce additions were phased in and paired with structured on-the-job training, reflecting the technical requirements of the production line. This increased operating flexibility and improved the ability to respond to ad-hoc orders with greater consistency; and
2. Positioning Flexipack business for the next stage of growth through customer and market development, alongside the ramp-up of expanded capacity. Resources were directed towards new market and product development, with emphasis on building readiness to serve multinational customers, where supply reliability and visible capacity are key requirements. In parallel, Plant 2 expansion progressed and reached near-completion, creating headroom to support higher volumes as customer acquisition improves.

3.2.2 STENTA GROUP

Stenta saw revenue growth despite softer demand conditions, as industry-wide overcapacity and currency movements continued to weigh on pricing and operating leverage.

KEY PERFORMANCE METRICS	2023	2024	2025
Revenue (RM million)^	214.0	215.2	221.0
Profit before Tax (RM million)*	24.2	24.3	17.9

^ after elimination of intra-group sales transactions

* excludes non-recurring gains/expenses and after consolidation adjustments

Stenta continued to prioritise cost management and operating rate improvements, while maintaining momentum in product development. During the year, several new products were developed for launch, including mono-structure packaging solutions intended to reduce material usage by simplifying pouch structures. The products completed testing in 2025, with commercial push and market adoption planned for 2026.

3.3 KEY TRENDS, RISKS AND OPPORTUNITIES

The packaging industry continues to be influenced by sustainability-driven changes in packaging design alongside ongoing competitive pressure across parts of the supply chain. Demand for paper-based packaging has been supported by substitution away from certain plastic formats, particularly in retail and food-related applications.

At the same time, the industry remains exposed to structural risks. Overcapacity across the packaging value chain continues to intensify competition and place pressure on pricing. Trade measures and tariff differences across countries have influenced customer sourcing decisions, resulting in redirected trade flows and heightened competition in certain markets. For export-oriented businesses, currency movements also affect realised revenue and margins.

Demand conditions remain uneven across markets and customer segments. Softer demand and smaller order sizes can reduce operating efficiency and limit the ability to fully leverage installed capacity. Rising input and operating costs further constrain margin recovery in a competitive pricing environment.

Opportunities are concentrated in segments where packaging requirements are evolving. Paper-based packaging continues to benefit from sustainability-led substitution trends, while flexible packaging demand is shifting toward designs that reduce material usage and improve recyclability, including mono-structure formats. These trends increase the importance of execution capability, visible capacity, delivery consistency and product development aligned with customer cost and compliance requirements.

3.4 DIVISION OUTLOOK

Looking ahead, operating conditions for the Packaging Division are expected to remain competitive in the near term. Industry overcapacity and pricing pressure are likely to persist, alongside continued sensitivity to trade measures, currency movements and input costs. Demand conditions may remain uneven across markets, reinforcing the need for disciplined cost management, utilisation control and selective pricing actions.

Within this environment, the Division will prioritise sustaining operating momentum in paper packaging following the strong performance in 2025, while focusing on execution consistency and delivery reliability. In flexible packaging, attention will be directed toward improving utilisation by expanding the customer base, particularly among multinational customers and converting available capacity into stable volumes.

Product development will continue to play an important role across the Division. Efforts will focus on advancing paper-based and mono-structure solutions that address customer requirements on cost, material efficiency and recyclability. As market conditions evolve, the Division aims to balance near-term competitiveness with readiness to capture opportunities linked to changing packaging requirements and customer sourcing patterns.

4.0 RESOURCES DIVISION

4.1 PERFORMANCE IN 2025

Operating conditions in 2025 were shaped by higher cost pressures and weaker demand. The Division faced increases in operating costs and logistics related charges, including higher port charges and container-related tariffs. Cost pressures also rose from wage adjustments, the expansion in Sales and Service tax and higher logistics prices. A weaker USD also weighed on realised revenue in an export-oriented sales mix. In parallel, global economic uncertainty contributed to softer demand conditions, which intensified pricing pressure and margin compression.

Against this backdrop, revenue declined to RM198.0 million in 2025 from RM223.6 million in 2024. Profit before tax declined to RM28.8 million from RM47.3 million in the prior year, reflecting margin pressure and a higher operating cost environment.

KEY PERFORMANCE METRICS	2023	2024	2025
Revenue (RM million)	202.9	223.6	198.0
Profit before Tax (RM million)	23.3	47.3	28.8

4.2 KEY INITIATIVES

During the year, the Division continued to focus on plant optimisation and cost discipline, recognising that economies of scale remain important given the cost structure of the lime business. In addition, the Division studied the potential use of rail transport as part of its logistics optimisation efforts.

The Division also progressed its planning for a solar panel farm intended to offset electricity costs, including engagement with the local land office on approvals such as right of way requirements.

4.3 KEY TRENDS, RISKS AND OPPORTUNITIES

Cost volatility in logistics and shipping remains a key risk, particularly where external developments constrain global shipping capacity or increase freight costs. Currency movements also remain relevant given the Division's export exposure. The business also remains exposed to tariffs imposed by other countries on its products, which can affect competitiveness and pricing.

From an opportunity standpoint, the Division continues to see steady demand over the long term across our core markets, with growth linked to industrial activity and infrastructure and population-related demand.

4.4 DIVISION OUTLOOK

Looking ahead, the Division expects operating conditions to remain challenging, with business sentiment softer and cost pressures likely to persist. The near-term priority remains protecting competitiveness through cost management, pricing discipline where possible and consistent customer service levels.

Over the medium term, the Division continues to monitor potential growth areas in Malaysia, including applications linked to flue gas and wastewater treatment, road infrastructure and plantation-related soil treatment use cases.

GROUP FINANCIAL POSITION

Assets and Liabilities

Changes in key assets and liabilities during the financial year ended 2025 are explained below:

ASSET/LIABILITY ITEMS	AS AT 31.12.2025 RM'000	AS AT 31.12.2024 RM'000	CHANGES RM'000	EXPLANATION
Service concession asset	1,921,276	2,175,656	(254,380)	The decrease was due to RM198.6 million translation loss and amortisation charge of RM83.0 million, partially offset by a RM27.2 million addition during the year.
Property, plant and equipment (PPE)	980,111	852,473	127,638	The increase was primarily due to RM192.1 million CAPEX, comprising mainly: a) RM121.8 million for Renewable Energy Division; b) RM33.1 million for Packaging Division; c) RM26.8 million for agricultural development; and d) RM5.2 million for medical centre project. partly offset by RM49.4 million depreciation charges and translation loss of RM12.7 million for the year.
Water rights	294,006	337,515	(43,509)	The decrease was due to RM30.6 million translation loss and amortisation charge of RM12.9 million for the year.
Receivable (non-current)	191,075	245,944	(54,869)	The decrease was mainly due to repayment of outstanding debt owing by Électricité du Laos (EDL) and translation loss.
Investment properties	185,530	184,997	533	The increase was due to gain on change in fair value during the year.
Right-Of-Use (ROU) assets	113,413	117,549	(4,136)	The decrease mainly due to amortisation charges for the year.
Joint ventures and associates	184,866	173,432	11,434	The increase was mainly due to RM87.4 million investment in joint venture and associates, partially offset by RM74.3 million share of loss in the current year.
Investment in quoted shares	50,499	87,351	(36,852)	The decrease was mainly due to fair value loss of marketable securities.
Inventories (current) and biological assets	168,574	186,197	(17,623)	The decrease was largely due to lower inventory held by the manufacturing subsidiaries.
Receivables (current)	243,955	330,062	(86,107)	The decrease was mainly due to improved collection from EDL.
Deferred tax liabilities	129,671	133,853	(4,182)	The decrease was mainly due to translation loss during the year.
Payables (current)	162,773	212,995	(50,222)	The decrease was primarily attributed to partial settlement and reversal of liabilities provided for Don Sahong fifth turbine construction costs, and also payments related to turbines overhaul, operation and maintenance.

CASH FLOW ANALYSIS

In 2025, the Group generated a strong post-tax operating cash flow of RM753.5 million which represents a jump of 57.2% from net operating cash inflow of RM479.4 million recorded a year ago, mainly due to prompt trade collections from EDL. Together with RM33.8 million in non-business income and RM8.5 million proceed on shares subscription from non-controlling interests, this brought down the Group's net debt from RM878.1 million at end of 2024 to RM564.7 million, after defraying RM222.5 million in net capex (largely on development of new solar capacities), RM87.4 million in joint venture and associates investments alongside RM115.8 million dividends distribution, and financial costs of RM57.1 million paid.

CAPITAL STRUCTURE AND RESOURCES MANAGEMENT

	GROUP	
	2025 RM'000	2024 RM'000
Total Bank Borrowings, excluding hire purchase liabilities	1,030,813	1,146,440
Less: Bank balances and deposits	(466,133)	(268,320)
Net debt	564,680	878,120
Total equity	3,554,205	3,544,454
Debt-to-equity ratio (times)	0.16	0.25

As at 31 December 2025, Group's net debts improved to RM564.7 million from RM878.1 million posted a year ago and this translates into a net gearing ratio of 15.9% (2024: 24.8%) which is considered low. The Group's approach to capital management is to maintain a strong credit rating for its borrowings and healthy capital ratios in order to support its businesses.

Group Borrowings and Debt Securities

	Long-term		Short-term		Total	
	Foreign Currency (‘000)	RM (‘000)	Foreign Currency (‘000)	RM (‘000)	Foreign Currency (‘000)	RM (‘000)
As at 31 December 2025						
Secured						
Trade financing and loans	-	-	-	71,136	-	71,136
Term loans	-	337,664	-	68,400	-	406,064
Term loan (USD)^	-	-	18,333	74,452	18,333	74,452
Revolving credit	-	-	-	126,795	-	126,795
Bank overdrafts	-	-	-	1,057	-	1,057
		337,664		341,840		679,504
Unsecured Loan						
Term loan	-	37,047	-	5,422	-	42,469
Term loan (USD)^	-	-	40,000	162,440	40,000	162,440
Revolving credit	-	-	-	146,400	-	146,400
		37,047		314,262		351,309
Total Borrowings		374,711		656,102		1,030,813
As at 31 December 2024						
Secured						
Trade financing and loans	-	-	-	50,926	-	50,926
Term loans	-	294,406	-	36,136	-	330,542
Term loans (USD)*	18,333	82,051	18,333	82,051	36,666	164,102
Revolving credit	-	-	-	156,883	-	156,883
		376,457		325,996		702,453
Unsecured Loan						
Term loan	-	20,202	-	-	-	20,202
Term loan (USD)*	30,000	134,265	40,000	179,020	70,000	313,285
Revolving credit	-	-	-	110,500	-	110,500
		154,467		289,520		443,987
Total Borrowings		530,924		615,516		1,146,440

^ translated at exchange rate of 4.06 as at 31 December 2025

* translated at exchange rate of 4.48 as at 31 December 2024

In 2025, total borrowings (excluding hire purchase liabilities) decreased to RM1,030.8 million, a decrease of RM115.6 million from RM1,146.4 million at 31 December 2024, mainly due to:

- (i) Net loans drawdown of RM82.2 million to part finance the purchase of PPE, investment properties and ROU assets; and
- (ii) RM33.4 million translation gain on USD-denominated loans.

The Group's borrowings (excluding hire purchase liabilities) as at 31 December 2025 are predominantly floating in nature and none of the borrowings denominated in foreign currencies are hedged to RM. The Group has not issued any debt securities at the end of the reporting period.

CAPITAL EXPENDITURE REQUIREMENTS

The major capital expenditure requirements contracted for the upcoming years amounted to approximately RM30.6 million, primarily for Hexachase Flexipack Plant 2 expansion which reached near completion, remaining construction costs of two large scale solar farms and preliminary costs for the hospital development project.

FOREIGN CURRENCY EXPOSURE

As the Group operates in numerous international markets, it engages in transactions involving multiple currencies (mainly USD). Consequently, the Group is subject to foreign currency risk, which can affect financial performance due to fluctuations in exchange rates.

Impact on Group's Financial Statements

(a) Revenue and Costs: A significant portion of our revenue and costs are either from Group's foreign operations (where their functional currencies are not RM) or denominated in foreign currencies. Fluctuations in exchange rates can lead to variations in reported revenues and expenses when converted to the Company's reporting currency. On average, the USD has eased 6.1% against RM in 2025.

The amount of revenue derived from foreign operations and currencies registered at RM1,042.7 million, representing 73.5% of Group's annual turnover for 2025. In the same year, the Group spent RM216.7 million on goods and services purchased abroad.

(b) Assets and Liabilities: Our balance sheet includes assets and liabilities denominated in foreign currencies. Changes in exchange rates can affect the value of these assets and liabilities, resulting in

1. Foreign exchange gains or losses recognised in statement of profit or loss, for non-foreign operations. As at 31 December 2025, the non-foreign operations have a net exposure in financial assets (after setting off financial liabilities) of RM155.3 million denominated in foreign currencies. Further details are provided in Note 40.1(a)(i) of the Financial Statements 2025.
2. Foreign currency translation gains or losses recognised outside profit or loss (i.e. in the statement of other comprehensive income) for foreign operation where the USD depreciated against RM by 9.3% from RM4.48/USD at 31 December 2024 to RM4.06 at 31 December 2025.

In maintaining stability and predictability of the Group's financial performance, the Group mitigates its foreign currency risk exposure by aligning revenue and expenses in the same currency to reduce exposure (i.e. natural hedging) whilst continuously monitoring its currency exposure and market conditions and adjusts its risk management strategy accordingly.

The Group remains committed to robust risk management practices to navigate the complexities of the global market.

ISSB SUSTAINABILITY STATEMENT

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SUMMARY OF CLIMATE-RELATED AND OTHER SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES (CROS AND SROS)

The table below provides an overview of the Mega First Corporation Berhad (MFCB) and its subsidiaries (Group) CROs and SROs identified for the reporting period, and highlights where the related disclosures are presented in this report. It also shows how these matters link to the Group's reporting boundaries (Notes 1–3), governance and materiality processes (Notes 5–6), and key judgements and measurement uncertainties (Note 4). Detailed disclosures for environmental and climate-related matters are set out in Note 7 – Note 10.

GROUP STRUCTURE AND REPORTING BOUNDARIES			
Basis of preparation (Note 1)		Overview of the Group and value chain (Note 2)	Reporting boundary (Note 3)
OVERVIEW OF PROCESS AND GOVERNANCE			
Materiality assessment (Note 5)		Sustainability governance (Note 6)	
CLIMATE-RELATED AND SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES			
Risk	Climate-related physical (Note 7) - Coastal flood - River flood - Extreme heat - Water stress	Climate-related transition (Note 8) - Carbon tax - Energy pricing increase, as an indirect impact of carbon tax - Energy Efficiency Conservation Act (EECA)	Other sustainability-related (Note 10) - Shift towards sustainable practices and disclosures - Biodiversity - Health and safety
Opportunities	Climate-related transition (Note 9) Renewable energy expansion		

Judgements and measurements of uncertainties (Note 4)

- Carbon tax
- Energy pricing increase, as an indirect impact from carbon tax
- Energy Efficiency Conservation Act (EECA)
- Calculation methods for GHG emissions

1. BASIS OF PREPARATION

1.1 COMPLIANCE WITH IFRS SUSTAINABILITY DISCLOSURE STANDARDS

The sustainability disclosures of Mega First Corporation Berhad (MFCB) and its subsidiaries (Group) for the financial year ended 31 December 2025 has been prepared in accordance with the IFRS Disclosure Standards as issued by the International Sustainability Standards Board (ISSB) in line with Bursa Malaysia's Main Market Listing Requirements (Main Market Listing Requirements).

The Group is reporting under the IFRS Sustainability Disclosure Standards for the first time for the financial year ended 31 December 2025. It has applied the following standards for its annual reporting period commencing 1 January 2025:

- IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information; and
- IFRS S2 – Climate-related Disclosures.

In the first year of reporting under the IFRS Sustainability Disclosure Standards, the following transition reliefs provided by the IFRS Sustainability Disclosure Standards have been applied:

- Relief from disclosing comparative information; and
- Relief from disclosing Scope 3 greenhouse gas (GHG) emissions.

The Group has also applied the proportionality mechanisms within the Standards. Accordingly, the Group has used reasonable and supportable information available without undue cost or effort and, where appropriate, has provided qualitative disclosures in areas where reliable quantitative information is not yet available, particularly in relation to financial effects and certain GHG emissions data.

In addition, we have referred to the relevant disclosure topics under the Sustainability Accounting Standards Board (SASB) Standards, specifically:

- Electric utilities and power generators;
- Containers and packaging; and
- Chemicals.

1.2 CONNECTIVITY WITH FINANCIAL STATEMENTS

The climate-related and sustainability-related financial disclosures cover the financial year ended 31 December 2025, which is aligned with the reporting period of the Group's financial statements. The climate-related and sustainability-related financial disclosures cover the same reporting entities as the financial statements of the Group.

The time horizons used for assessing these risks and opportunities are as follows:

- Short term: Next 12 months;
- Medium term: 1 to 5 years (year 2030); and
- Long term: beyond 5 years until 2050.

2. OVERVIEW OF THE GROUP AND VALUE CHAIN

2.1 OVERVIEW OF THE GROUP

a) Key Business Activities

MFCB is a diversified group of companies, headquartered in Malaysia with operations across Asia. The Group operates through three primary business divisions summarised in the table below.

BUSINESS DIVISIONS	BUSINESS ACTIVITIES	% OF TOTAL REVENUE (FYE 2025)
Renewable Energy (including construction revenue)	The Group holds a 95% effective equity interest in Don Sahong Power Company Ltd, the owner and operator of the 325 MW Don Sahong Hydropower Project in southern Lao PDR. The Division also includes commercial and industrial solar investments in Malaysia, Cambodia and Maldives.	46.4%
Packaging	Produces an extensive product line ranging from high-quality printed labels and stickers to paper bag products and laminated flexible packaging materials. These products are used in industries like food and beverages, FMCG, electronics and retail in over 20 countries globally.	30.5%
Resources	Extraction, processing and manufacturing of high-purity quicklime and limestone-based products with operations in Perak, Malaysia.	13.9%
Investment Holding & Others	Investment holding activities and other business operations outside the core Divisions, including Food Security, Property and other businesses.	9.2%

The Renewable Division is the largest contributor to the Group's consolidated revenue, followed by the Packaging Division and Resources Division. Refer to Note 41 in the Group's 31 December 2025 financial statements for further details.

b) Strategy and Sustainability Related Goals

The Group's strategy is to keep a diversified portfolio across its Renewable Energy, Resources and Packaging Divisions. This diversification supports earnings while allowing each division to operate within its market and regulatory environment. The Group is focused on maintaining reliable operations and safeguarding the long-term performance of its assets.

In line with the Group's long-term business strategy and its aspiration to achieve Net Zero Emissions by 2050, the Group has established the following climate-related and sustainability-related goals under three themes, supported by targets:

i. Theme 1: Promoting environmental sustainability

Target: Net Zero Emissions by 2050, supported by the following sub-targets:

- reduce waste to landfill intensity by 35% by 2030 (from a 2022 baseline); and
- conduct Scope 3 screening across all 15 categories and refine the Group's Scope 3 baseline for material categories where relevant and applicable.

ii. Theme 2: Enhancing livelihoods and inspiring our people

Target: Bring positive impacts to 300,000 people by 2035 (from a 2021 baseline).

iii. Theme 3: Building a sustainable and ethical business

Target: By 2030, ensure all Tier 1 suppliers have received training and acknowledged the Group's Responsible Sourcing Policy (covering the Group's three core Divisions).

Progress against these climate-related and sustainability-related goals is supported by the Group's initiatives and operational plans, and is reported through the disclosures in this statement.

2.2 VALUE CHAIN

The Group's operations depend on a range of suppliers, service providers and customers across its Divisions. The table below summarises MFCB's key upstream and downstream value chain relationships:

VALUE CHAIN	DIVISION	DESCRIPTION
UPSTREAM	Renewable Energy	Engineering, Procurement, Construction, and Commissioning (EPCC).
	Packaging	Suppliers of polypropylene-based raw materials, paper-based raw materials, printing materials and logistics providers.
	Resources	Suppliers of fuel (e.g. petroleum coke), electricity providers, maintenance contractors and logistic providers.
OPERATIONAL	Renewable Energy	Hydropower generation assets in Lao PDR, solar PV assets in Malaysia, Cambodia and Maldives.
	Packaging	Printing and packaging manufacturing facilities serving local and international markets.
	Resources	Lime kilns and processing facilities in Perak, Malaysia.
DOWNSTREAM	Renewable Energy	Off-takers.
	Packaging	Food & beverage, FMCG and retail customers across multiple countries.
	Resources	Industrial customers in various sectors.

The Group has other business relationships, primarily through its investments in associates and joint ventures, which are part of the Group's value chain.

3. REPORTING BOUNDARY

3.1 REPORTING BOUNDARY (EXCLUDING GHG EMISSIONS)

a) Reporting Entity

The entities, assets, and operations covered in the Group's sustainability report (the "reporting entity") are the same as those included in the Group's financial statements for the year ended 31 December 2025.

ENTITIES AND ASSETS IN THE REPORTING ENTITY	ADDITIONAL INFORMATION	NOTE IN THE FINANCIAL STATEMENTS	INFORMATION CONSIDERED AND INCLUDED (FOR GHG REPORTING BOUNDARY SEE NOTE 3.2)
Parent and subsidiaries	-	Notes 18 and 42 on Subsidiaries	100% of the sustainability information, including consolidated subsidiaries which are not fully owned.
Leased assets (Group is lessee)	The Group leases leasehold land, farmland, offices, hostels, shop lots, plants and equipment. These arrangements are reflected in the financial statements through right-of-use assets and lease liabilities.	Notes 4.7 and 17 on Right-of-use assets	For right-of-use assets, sustainability information is included. Premises rented from third parties are included in climate physical risk screening; however, sustainability metrics such as electricity consumption are excluded from reporting for these rented locations.
Leased assets (Group is lessor)	Certain investment properties are leased to tenants under operating leases and remain recognised on the Group's statement of financial position.	Notes 4.8 and 16 on Investment properties	For investment properties leased out to tenants, these locations are included in the Group's climate physical risk screening; however, sustainability metrics such as electricity consumption are excluded from reporting for tenant-occupied locations.

b) Value Chain

The Group also has entities (including associates and joint ventures), activities, resources and relationships in its value chain. These were identified and considered when assessing the Group's CROs and SROs that could affect the Group's prospects. For the current reporting period, all metrics disclosed (except GHG emissions) cover only the Group's own operations, meaning operations and sites that the Group has 100% operational control over. The GHG emissions boundary, including how we treat associates and joint ventures, is explained in Note 3.2.

3.2 REPORTING BOUNDARY FOR GHG EMISSIONS

The Group measures its greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) and applies the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) to identify the fifteen (15) Scope 3 categories.

The Group adopts the operational control approach to define its organisational boundary. Under this approach, the Group reports 100% of its GHG emissions from operations over which it has operational control. These include subsidiaries and operational assets consolidated in the Group's financial statements. Emissions from associates and joint ventures are excluded where the Group does not have operational control (see table in section 3.2.a).

a) Organisational boundary

The Group applies the operational control approach to establish its organisational boundary for the reporting of GHG emissions. The Group believes that the use of the operational control approach is the most appropriate method to measure the Group's GHG emissions, considering that there are entities and assets outside the Group's financial reporting group over which it has operational control. The Group has operational control over the following entities, assets and operations:

ADDITIONAL INFORMATION		NOTE IN THE FINANCIAL STATEMENTS	INCLUDED (GHG SCOPE 1 & SCOPE 2)	EXCLUDED (GHG SCOPE 1 & SCOPE 2)
Parent and subsidiaries	The Group has operational control across its subsidiaries, because it has full authority to introduce and implement operational policies across	Note 18 & Note 42 on Subsidiaries	100% of GHG emissions from operations under the Group's operational control.	-
Associates and joint ventures	The Group's associates include Apex Power Industry Sdn. Bhd., Asset 1 Land Sdn. Bhd., Integrated Smart Technologies Sdn. Bhd., iRadar Sdn. Bhd., Golden Blue Capital Sdn. Bhd. and Chiwadi Products Co. Ltd. Joint ventures include Edenor Technology Sdn. Bhd. and Merchant Commodities Pty. Ltd. Emissions from these investees are included only where the Group has operational control; otherwise, they are excluded (see Note 3.2)	Note 19 – Joint Ventures Note 20 – Associates	-	Emissions from associates/ JVs where the Group does not have operational control.
Leased assets (Group as lessee)	For leased assets where the Group is the lessee, the Group has operational control over operations at the leased sites during the lease term (e.g. buildings, equipment and plant).	Note 4.7 and 17 on Right-of-use assets	100% of GHG emissions from activities at leased sites/assets that the Group operates and controls during the lease term.	-
Investment properties leased out (Group as lessor)	The Group includes emissions from investment properties where the Group manages the property operations and operating policies.	Note 4.8 and 16 on Investment properties	100% of GHG emissions from property operations managed by the Group (e.g. base-building operations and utilities managed by the Group).	Tenant-controlled activities, if any, where the Group does not have operational control.

b) Operational boundary

The Group categorises its emissions as follows:

- Scope 1 emissions comprise direct emissions from owned or controlled sources;
- Scope 2 emissions comprise indirect emissions from purchased electricity; and
- Scope 3 emissions comprise other indirect emissions arising from the Group's value chain.

The Group is focusing first on Scope 3 categories where data is currently available. For this reporting period, we disclose Scope 3 emissions for Categories 1, 4, 5, 6, 7 and 9, based on existing customer-driven reporting in Packaging and Resources Divisions and aligned, where practicable, across other divisions. The Group's Scope 3 coverage for this period covers all divisions, with the exception of the Food Security Division in Malaysia.

The Group will continue to improve Scope 3 reporting by screening all 15 categories under the Scope 3 Standard and expanding disclosures over time as data quality and coverage improve.

4. JUDGEMENTS AND MEASUREMENT UNCERTAINTIES

In the process of preparing these climate-related and other sustainability-related disclosures, management has exercised judgement in a number of areas and used estimates where the sustainability information needs to be estimated, is related to forward-looking information, or involves data limitations.

4.1 SIGNIFICANT JUDGEMENTS

AREA	DESCRIPTION
Materiality process	Management applied significant judgement to identify the CROs and SROs that could reasonably be expected to affect the Group's prospects, as well as the material information related to those risks and opportunities. Judgement was also applied in considering which industry-based SASB Standards were applicable to the Group as well as which disclosure topics and metrics in the industry-based SASB Standards were applicable to the Group.
Calculation methods for GHG emissions	The Group has applied a combination of different calculation methods to calculate its Scope 3 GHG emissions. Management has applied judgement in determining the calculation methods that are most appropriate for each category, depending on availability and quality of data, and prioritises the use of supplier-specific data where available and of sufficient quality.

4.2 MEASUREMENT UNCERTAINTY

AREA	DESCRIPTION
Carbon tax	Given the limited availability of data on the carbon tax pricing in Malaysia and consequential changes to fuel and utility prices, there remains a wide range of possible financial outcomes for these climate-related transition risks over the medium to long term.
Energy pricing increase, as an indirect impact from carbon tax	Based on the Group's current assessment of its operations and common practice in regulated energy supply where carbon costs are often passed through, the Group does not currently expect the carbon tax to have a significant direct financial impact; however, the Group may experience indirect financial effects through higher fuel and utility prices. This assessment will be updated as Malaysia's policy design and implementation details become clearer and data quality improves.
Energy Efficiency Conservation Act (EECA)	Although management has estimated the initial operating expenditure (OPEX) and capital expenditure (CAPEX) to comply with the EECA, the continuous effort and CAPEX required to achieve greater energy efficiency in the operations cannot be determined at this stage due to measurement uncertainty.
Calculation methods for GHG emissions	The Group measures its GHG emissions in accordance with the GHG Protocol unless otherwise stated as required by IFRS S2. The related disclosed metrics are subject to inherent high uncertainties arising from reliance on activity data and emission factors obtained from third parties. Where activity data and emission factors cannot be obtained on a timely basis, or are incomplete, estimation is used.

5. MATERIALITY ASSESSMENT

A two-step materiality process was conducted with internal stakeholders at the Divisions and Group level.

a) **Step 1: identify CROs and SROs that could be reasonably expected to affect the Group's prospects over the short, medium and long term.**

In Step 1, the Group referred to the relevant disclosure topics under the Sustainability Accounting Standards Board (SASB) Standards, specifically:

- i. Electric utilities and power generators
- ii. Containers and packaging
- iii. Chemicals

Only those CROs and SROs that could reasonably be expected to affect the Group's cash flows, access to finance or cost of capital (that is expected to affect the Group's prospects) are disclosed in the Group's ISSB Sustainability Statement. In making this financial materiality assessment, the Group considered a combination of:

- the likelihood of the event occurring, and
- the consequence on the Group's financial prospects if the event did occur.

b) Step 2: identify material information to be disclosed in relation to the CROs and SROs identified.

After identifying CROs and SROs, the second step is to determine the material information that should be disclosed in relation to each risk or opportunity. The Group considered whether information is material within the context of the Group's overall sustainability reporting and took both qualitative and quantitative aspects into consideration. The judgements used to identify material information for the CROs and SROs will be reviewed at each reporting date.

The shortlisted CROs and SROs from the financial materiality assessment, are summarised as follows:

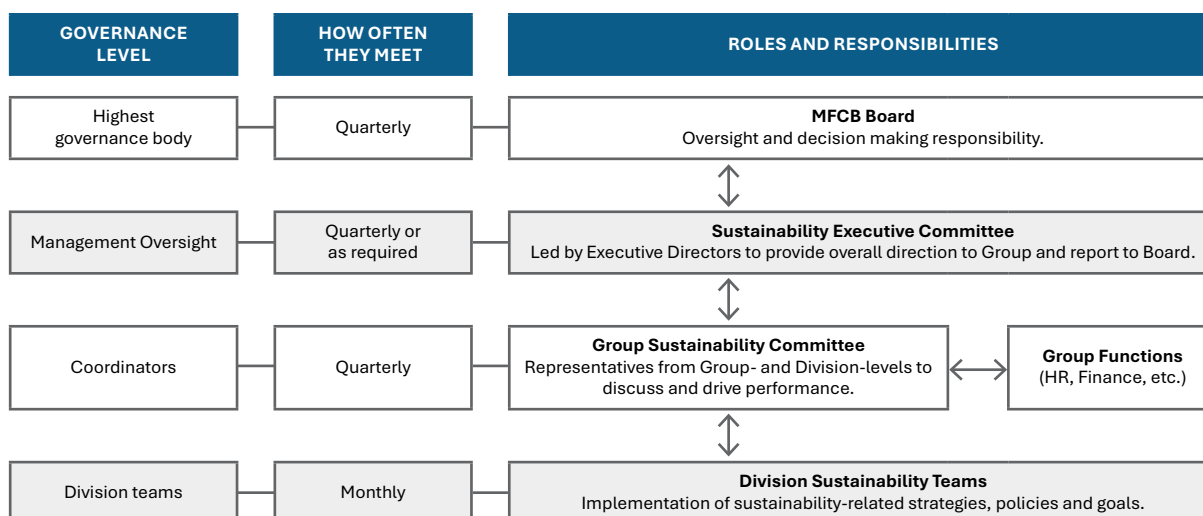
ESG PILLAR	CATEGORY	RISKS AND OPPORTUNITIES
Environmental	Climate-related physical risks, IFRS S2	Coastal flooding
		Extreme heat
		Water stress
		River flood
	Climate-related transition risks, IFRS S2	Carbon tax
		Energy pricing increase, as an indirect impact from carbon tax
		Energy Efficiency Conservation Act
	Climate-related transition opportunity, IFRS S2	Renewable energy implementation
	Sustainability-related risks, IFRS S1	Shift towards sustainable practices and disclosures
		Biodiversity
Social		Health and safety

6. SUSTAINABILITY GOVERNANCE

MFCB's approach to sustainability governance is founded on the core values of transparency and accountability. The Group ensures its actions align with responsible ESG practices, fostering open communication and high ethical standards. This commitment was formally strengthened in 2023 with the update of key Group policies, including the Group Sustainability Policy, Diversity and Inclusion Policy, Human Rights Policy, Responsible Sourcing Policy, and Water Management Policy. In 2025, the Group continues to adhere to these foundational policies, which guide its operations and support strong corporate governance across all operations. This commitment allows the Group to build a sustainable business model that integrates long-term value creation with societal and environmental stewardship, building trust with its stakeholders and driving progress toward its sustainability goals.

The Board of Directors of Mega First Corporation Berhad has oversight of the approach to sustainability issues and other critical concerns. These concerns are identified through established monitoring and reporting processes and are escalated to MFCB Senior Management through formal reporting channels. Where appropriate, such matters are further escalated to the Board of Directors to enable timely oversight, review and decision-making. Critical concerns are communicated to the Board of Directors through regular Board meetings and established reporting processes.

An overview of the Group's sustainability governance structure is set out below.



The responsibilities and activities of the Board of Directors and each of the committees are set out below.

6.1 BOARD OVERSIGHT

a) Board of Directors

The Board of Directors holds overall responsibility for the Group's sustainability performance. This includes maintaining oversight of all climate-related and other sustainability-related matters, including climate risks and opportunities, adherence to the Group's Code of Conduct and Code of Ethics and ensuring compliance with key national frameworks and legislation. At the Board Level, Ms. Goh Mei Sze, MFCB's Executive Director holds specific responsibility for oversight of climate change matters and regularly engages with MFCB Senior Management to ensure that relevant initiatives are implemented to manage any potential climate risks and opportunities. During the quarterly board meetings, the Board reviews the Group's sustainability performance with the same rigor as other key business matters, ensuring progress aligns with climate-related and sustainability-related targets as well as overall business objectives.

6.2 MANAGEMENT'S ROLE IN GOVERNANCE

Management is responsible for the implementation and monitoring of climate-related and other sustainability-related matters across the Group.

a) Sustainability Executive Committee

The Sustainability Executive Committee comprises senior management, namely Mr. Khoo Teng Keat, Ms. Goh Mei Sze and Mr. Terry Neo. The Committee oversees the implementation of the Group's sustainability strategy and monitors CROs and SROs. It provides direction and oversight to the Group Sustainability Committee and ensures appropriate skills and competencies are available or will be developed to respond to CROs and SROs.

b) Group Sustainability Committee

The Group Sustainability Committee supports the Sustainability Executive Committee in coordinating sustainability activities across the Group. The Committee meets quarterly and is responsible for monitoring sustainability performance, facilitating data collection and reporting, and aligning sustainability initiatives across divisions. Day-to-day coordination of sustainability matters is managed by the Group Sustainability Team, who works with representatives from each division. The Group Sustainability Committee is also responsible for maintaining clear communication on performance, driving cross-functional collaboration, sharing best practices and aligning actions across all Divisions to achieve the Group's overall ESG goals.

c) Division Sustainability Teams

Overseen by the Division Heads and relevant Sustainability Representatives, the sustainability teams at each Division are responsible for delivering and implementing the Group's strategy to achieve our shared goals.

6.3 IMPACT OF SUSTAINABILITY ON REMUNERATION POLICIES

At present, climate-related and other sustainability-related performance metrics are not directly linked to executive remuneration.

6.4 RISK MANAGEMENT

Climate-related and other sustainability-related risks are assessed using the Group's Risk Management Framework and are considered alongside other strategic, operational, financial and compliance risks. Risks are evaluated based on likelihood and consequence, and are monitored through established risk reporting processes. The AC provides oversight of risk management and reports to the Board.

7. CLIMATE-RELATED PHYSICAL RISKS

7.1 APPROACH

The physical climate risk screening was conducted on a high-level basis on the owned and rented premises as well as project sites of the Group, based on:

- a) Four (4) climate physical hazards relevant to the operations of MFCB and its subsidiaries (Group) in Malaysia, Laos, Cambodia and Maldives, which are coastal flood, river flood, extreme heat and water stress.

CHRONIC CLIMATE HAZARDS	HAZARD DEFINITIONS	TOOL USED
Coastal flood	Rising sea levels and higher incidence of extreme sea events can damage coastal assets.	Climate Central
River flood	River flood primarily results from an extended precipitation event that occurs at, or upstream from, the affected area.	Think Hazard
Extreme heat	Extreme heat hazard is classified based on an existing and widely accepted heat stress indicator, the Wet Bulb Globe Temperature (WBGT, in °C) – more specifically the daily maximum WBGT.	Think Hazard

CHRONIC CLIMATE HAZARDS	HAZARD DEFINITIONS	TOOL USED
Water stress	Water stress shows how much water is being used compared to how much is naturally available.	WRI Aqueduct Water Risk Atlas

- b) Two (2) timeframes: 2030 (medium term) and 2050 (long term)
- c) Two (2) climate change scenarios, sourced from Network for Greening the Financial System (NGFS), which are:
- **Hot House World Scenario – Nationally Determined Contributions (NDCs):** This scenario examines the vulnerability of companies' current business models to inadequate climate policies, leading to an increase in global temperature of 2.3°C by 2050 and a materialisation of severe physical risks in the form of increased frequency and severity of extreme weather events. Transition risks are limited, but physical risks are significant.
 - **Orderly Scenario – Net Zero 2050 (NZ 2050):** This scenario assumes an orderly transition to a low-carbon world, limiting global warming to 1.5°C in 2050, resulting in high transition risk but low physical risk.

RESULTS

The results of our high-level climate hazard screening are as follows:-

HAZARD	EXPOSURE, BUSINESS IMPACT AND FINANCIAL EFFECTS	RISK RATING	TIME HORIZON	RISK TREATMENT RESPONSE
Coastal flood	Exposure and impacts: None of the Group's owned properties are potentially exposed in the medium to long term. However, coastal flooding affecting port areas in Malaysia could disrupt the Group's logistics arrangements, requiring logistics arrangements to be reorganised. Financial effects: Coastal flood affecting port areas in Malaysia could potentially increase operating expenditure. At this stage, the anticipated financial effects have not been quantified due to measurement uncertainty.	Orderly Scenario: Low risk Hot House World Scenario: Moderate risk	Medium to long term	• Flood insurance coverage • Flood response SOPs and emergency preparedness measures • Raised platform and floor levels • Elevation of critical electrical equipment • Supplier and warehouse diversification
River flood	Exposure: 17 sites potentially exposed in the medium to long term. Impacts: Potential damage to inventory and equipment, temporary disruption to site access, safety risks, and higher insurance costs. Flooding may also damage renewable energy assets (intake structures, spillways, riverbanks, access roads, turbines, control rooms and electrical systems), including debris-related damage. Financial effects: No impairment losses on the assets were recognised for the financial year ended 31 December 2025; the Group continues to monitor this risk and perform impairment assessments when indicators arise.	Orderly Scenario: Extreme risk Hot House World Scenario: Extreme risk	Medium to long term	• Don Sahong Hydropower Plant: Daily river water-level monitoring at seven upstream and downstream locations • Flood insurance coverage • Flood response SOPs and emergency preparedness measures • Raised platform and floor levels • Elevation of critical electrical equipment
Extreme heat	Exposure and impacts: Extreme heat may affect employee health and productivity at factories, quarries and farms, leading to higher operating costs, and could reduce the efficiency of solar equipment. Higher electricity bills are also anticipated due to higher use of fans and air-conditioning. Financial effects: Extreme heat could potentially affect revenue and increase operating or replacement capital expenditure. At this stage, the anticipated financial effects have not been quantified due to measurement uncertainty.	Orderly Scenario: Moderate risk Hot House World Scenario: Moderate risk	Medium to long term	• Cooling measures (fans and air-conditioning) • Heat stress management integrated into health and safety SOPs • Energy efficiency initiatives

HAZARD	EXPOSURE, BUSINESS IMPACT AND FINANCIAL EFFECTS	RISK RATING	TIME HORIZON	RISK TREATMENT RESPONSE
Water stress	Exposure: One asset potentially exposed. Impact: Reduced water availability may lower hydropower generation capacity and revenue during prolonged dry periods. Other divisions may face operational disruption due to water shortages. Financial effects: Water stress could potentially affect revenue and increase operating or replacement capital expenditure. At this stage, the anticipated financial effects have not been quantified due to measurement uncertainty.	Orderly Scenario: High risk Hot House World Scenario: High risk	Medium to long term	<u>Don Sahong Hydropower Plant:</u> - Daily river water-level monitoring at seven upstream and downstream locations. - Historical water-level fluctuation of $\pm 2\%$ to 3% assessed is insignificant to the hydropower generation because of the location of the Don Sahong Hydropower Plant at the southern tip of Laos and the large water catchment in the upstream area including many tributaries in the upper region in China, Thailand and Vietnam. <u>Other divisions:</u> - Increase water tank capacity - Water efficiency measures, including rainwater harvesting and sensor-based faucets

8. CLIMATE-RELATED TRANSITION RISKS

CLIMATE-RELATED TRANSITION RISKS	DIVISION	TIME HORIZON	RISK RATING	
			ORDERLY – NET ZERO 2050 SCENARIO	HOT HOUSE WORLD – NDCS SCENARIO
a) Carbon tax	Resources	Medium term	Low risk	Low risk
		Long term	Moderate risk	
b) Energy pricing increase, as an indirect impact from carbon tax	All	Medium to long term	Low risk	Low risk
c) Energy Efficiency Conservation Act (EECA)	Resources, Packaging	Current period, short term to long term	Low risk	Low risk

a) Carbon tax

The Ministry of Natural Resources and Environmental Sustainability (NRES) is expected to present the Climate Change Bill (RUUPIN) to Parliament in 2026, potentially introducing carbon pricing mechanisms.

Financial effects:

If a carbon tax is introduced for the sector in which the Resources Division operates, it may lead to higher operating expenses in the form of recurring carbon tax costs, as well as indirect cost increases arising from higher fuel prices across the supply chain. The higher costs, together with the impact on product pricing, have potential impacts on the Group's financial performance and cash flows. As the carbon tax rate has not yet been determined by the Malaysian government, the anticipated financial effects have not been quantified at this stage due to measurement uncertainty.

Mitigation efforts:

- The Group has set a target to reach Net Zero Emissions by 2050.
- The bulk of the Group's Scope 1 emissions stemmed from hard-to-abate process emissions from the lime production as well as stationary combustion in machineries at the Resources Division. The Group may consider developing or procuring carbon credits to offset Scope 1 emissions where this is commercially favourable relative to future carbon tax.

b) Energy pricing increase, as an indirect impact from carbon tax

Electricity tariffs (including TNB tariffs in Malaysia) and the prices of other energy inputs used across the Group's operations (such as petroleum coke, natural gas, LPG, diesel and other fuels where applicable) may increase over the medium to long term due to energy transition costs and carbon-related policies.

Financial effects:

This could result in higher electricity and fuel expenses in the medium to long term, affecting financial performance and cash flows of the Group.

Mitigation efforts:

- The Group has set a target to reach Net Zero Emissions by 2050.
- Across the Group we are installing solar panels at our key operational sites to support the use of renewable energy and reduce our overall emissions from energy use.
- In 2024, Our Packaging Division in Melaka embarked on an energy audit under the Energy Audit Conditional Grant (EACG 2.0) Programme led by the Ministry of Energy Transition and Water Transformation (PETRA) Malaysia. The audit was completed in 2025, enabling us to identify inefficiencies across our operation lines and prioritise energy savings opportunities that directly reduce exposure to energy price increases. Where initiatives prove effective, we intend to extend this approach across other divisions to support our net zero goals.
- At the Resources Division, RCI replaced a Star-Delta starter with a Variable Speed Drive (VSD) on one of its roller mills. The VSD adjusts motor speed to actual load, improving efficiency and reducing mechanical stress. This upgrade is expected to cut energy consumption by about 5%. RCI will continue similar equipment upgrades to enhance efficiency and support the Group's Net Zero Emissions by 2050.

c) Energy Efficiency Conservation Act (EECA)

The Energy Efficiency and Conservation Act (EECA) 2024, effective 1 January 2025, requires large energy users (above 21,600GJ per annum) and buildings to appoint registered energy managers and conduct regular energy audits, with compliance likely necessitating investment in efficient systems and non-compliance carrying risks of penalties, reputational damage, and heightened regulatory scrutiny.

Financial effects:

The continuous effort and CAPEX required to achieve greater energy efficiency in the operations cannot be determined at this stage due to measurement uncertainty.

Mitigation efforts:

- Our Packaging Division is on track for EECA compliance. As a large energy user, the Division engaged a registered energy manager and completed an energy audit in 2025 under the Energy Audit Conditional Grant (EACG 2.0) Programme led by PETRA Malaysia.
- The audit outcomes have informed the Division's roadmap for achieving the energy efficiency improvements required under the Act, including investment in upgraded systems and processes.
- Resources Division's efforts include sending staff for Registered Energy Manager (REM) training and replacement of 160 kW motor with 132 kW motor.

9. CLIMATE-RELATED TRANSITION OPPORTUNITY

OPPORTUNITY: RENEWABLE ENERGY IMPLEMENTATION				
SCENARIO	TIME HORIZON	ASSUMPTIONS	OPPORTUNITY RATING	FINANCIAL EFFECTS
Orderly Net Zero Scenario	Current, short to long term	Energy transition is rapid and planned, with renewables becoming the dominant energy source accompanied by a decline in fossil fuel reliance.	High	Our committed CAPEX in relation to renewable energy projects as at 31 December 2025 is RM12.49 million. In FYE2025, total renewable electricity production was 2,426,578 MWh (hydropower 2,384,078 MWh; solar 42,500 MWh). Electricity sold/delivered (excluding internal use) was 2,404,679 MWh. The difference relates to internal consumption and delivery losses during export to the transmission line.
Hot House World NDC scenario	Current, short to long term	Renewables grow in line with national pledges but do not become dominant, with fossil fuels remaining a significant part of the energy mix.	High	Separately, in FYE 2025, the percentage of renewable energy for internal consumption for the Group was 1.93%.
- Our Group continues to invest in our Renewable Energy (RE) Division to provide more renewable energy solutions for customers who are looking to reduce their energy costs. MFCB's appetite for large RE projects is high given our strong cashflow and balance sheet. However, we will be selective in such investments and will only invest if the project generates reasonable returns. - As for the Group's own energy consumption, across the Group, we are installing solar panels at our key operational sites to support the use of renewable energy and reduce our overall emissions from energy use. In 2024, DSPC successfully built a 1.0MW solar system on-site for use by the powerhouse and permanent operator village (POV). At the moment, the DSHP site is utilising 100% renewable energy for its electricity consumption. As at 31 December 2025, the Group had installed approximately 4.15 MWp of rooftop/on-site solar PV across its operational sites.				

10. OTHER SUSTAINABILITY-RELATED RISKS

SUSTAINABILITY- RELATED RISKS	DIVISION	TIME HORIZON	RISK RATING	
			ORDERLY – NET ZERO 2050 SCENARIO	HOT HOUSE WORLD – NDCS SCENARIO
a) Shift towards sustainable practices and disclosures	All	Current period, short term to long term	Low risk	Low risk
b) Biodiversity	Renewable Energy (DSPC)	Current period, short term to long term	Moderate risk	Moderate risk
c) Health and safety	All	Current period, short term to long term	Moderate risk	Moderate risk

a) Shift towards sustainable practices and disclosures

Stakeholders expect the Group to demonstrate sustainable practices. Failure to meet climate-related commitments or to uphold credible sustainability disclosures may result in reputational damage, loss of investor confidence and reduced access to financing. In addition, customers may increasingly demand sustainably certified products and value-chain practices, which could affect market competitiveness if not addressed.

Financial effects:

The Group expects to incur higher costs with the shift towards sustainable practices and more climate-related and other sustainability-related reporting disclosures, affecting its financial performance and cash flows. At this juncture, the anticipated financial effects are not quantified due to high measurement uncertainty.

Mitigation efforts:

- In terms of sustainability reporting, in FYE 2025, the Group started a group-wide IFRS S1 and S2 (including climate risk) assessment and is on track to enhance its sustainability disclosures in alignment with the IFRS Sustainability Disclosure Standards and Bursa Malaysia's listing requirements under the National Sustainability Reporting Framework (NSRF).
- In FYE 2024, the Group also has set Group sustainability targets against which progress is tracked and monitored. The Group also introduced divisional targets, where each division is required to set their goals and initiatives under the Environmental and Social pillars.

b) Biodiversity

Biodiversity risk of the Don Sahong hydropower plant (DSHP) arises from potential impacts on river ecosystems—such as fish migration disruption and habitat loss—which can lead to regulatory constraints, community concerns and higher costs. In 2013, the Environmental Impact Assessment (EIA) highlighted the potential risks of the project to aquatic biodiversity, endangered species and the affected human population.

Financial effects:

The Group incurred RM224,428 in FYE2025 to implement MFCB's Biodiversity Conservation Strategy for DSHP.

Mitigation efforts:

- The goal of MFCB's Biodiversity Conservation Strategy is to have a net positive impact on biodiversity and maintain, enhance or restore the integrity of the ecosystem within and around our project area by 2050.
- Since the project's inception in 2008, DSPC has carried out extensive monitoring initiatives to assess its impacts on the surrounding environment. In tandem, it has implemented a variety of mitigation and management measures in collaboration with the Don Sahong Fisheries Management Committee (DSFMC). These efforts are further strengthened by the adoption of the Don Sahong Fisheries Management Plan (DSFMP) and the implementation of the Fisheries Monitoring and Action Plan (FishMAP), both of which are supported by DSPC through the DSFMC.
- As part of fisheries conservation actions, DSPC supports annual fish restocking activities. From 2016 to 2025, DSPC contributed 30,000–40,000 fingerlings annually, with a cumulative total of 310,000 fingerlings released over the ten-year period.
- As part of ecosystem rehabilitation activities, DSPC has progressed on reforestation efforts and has planted 9,650 tree seedlings cumulatively since 2016, including 2,000 tree seedlings planted in 2025.

Targets:

In support of the long-term goal to achieve a net positive impact on biodiversity by 2050, the Group has established interim biodiversity targets, including:

- implementing two major conservation projects with measured outcomes by 2030;
- publishing at least two scientific studies by 2030 related to the ecosystems in the areas of operation; and
- planting 20,000 trees by 2030 as part of ecosystem rehabilitation initiatives.

Further information is provided in the MFCB's Sustainability Report 2025 (pages 14–18).

c) Health and safety

Financial effects:

The Group's workers are exposed to occupational health and safety risks, including injuries from heavy machinery, chemical exposure, noise and falls. If not properly managed, these risks may result in regulatory penalties, legal liabilities, project delays and reduced profit margins.

During the year, the Group recorded 1.85 lost time incident rate for every 200,000 man-hours worked, with zero work-related fatalities across the Group.

The Group continues to invest in health and safety compliance and related initiatives. At this juncture, the anticipated financial effects arising from these risks have not been quantified.

Mitigation efforts:

- Occupational health and safety (OHS) risks are managed through compliance with applicable occupational safety and health requirements, the Group's OHS Policy and a formal OHS Management System. Governance is supported by divisional OHS Committees and site-specific standard operating procedures (SOPs) for hazard management and reporting.
- OHS risks are assessed using the Hazard Identification, Risk Assessment and Risk Control (HIRARC) methodology. Key personnel are trained to conduct HIRARC assessments, and the outcomes are reviewed by OHS Committees with corrective actions planned and tracked.
- Training and awareness are reinforced through onboarding OHS orientation for new hires and routine safety briefings in higher-risk operations such as production and quarrying.
- The Group applies an incident reporting and investigation protocol. Incidents are reported within 24 hours, investigated to identify root causes, and corrective actions are implemented and monitored. Serious lost-time incidents are reported to DOSH via the designated system.

Further information is provided in the MFCB's Sustainability Report 2025 (online) (page 26).

11. METRICS AND TARGETS

Disclosure data are provided for the Group's three core Divisions.

RENEWABLE ENERGY (SASB INDUSTRY: ELECTRIC UTILITIES AND POWER GENERATORS)

The Renewable Energy Division comprises hydropower generation assets and solar photovoltaic projects. The Division does not operate coal-fired, nuclear or retail electricity distribution businesses. Therefore, certain industry metrics are not applicable.

TOPIC	CODE	METRIC	UNIT OF MEASURE	2023	2024	2025
GHG emissions and Energy Resource Planning	IF-EU-110a.1	Gross global Scope 1 emissions	tCO ₂ e	103.62	94.30	83.47
		(2) Percentage covered under emissions-limiting regulations	Percentage (%)	Not applicable ¹	Not applicable ¹	Not applicable ¹
		(3) Percentage covered under emissions reporting regulations	Percentage (%)	100	100	100
	IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	tCO ₂ e	0 ²	0 ²	0 ²
	IF-EU-110a.3	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets		The Renewable Energy Division consists of hydropower and solar assets, which has low direct emissions. Scope 1 emissions primarily arise from routine operational activities. The Group monitors Scope 1 emissions on a quarterly basis and manages these emissions through ongoing operational improvements and regular maintenance practices. While there is no specific Scope 1 reduction target for the Renewable Energy Division, emissions management is incorporated into the Group’s broader climate target i.e. to achieve Net Zero Emissions by 2050.		
Air quality	Not applicable to the Division ⁶					
Water Management	IF-EU-140a.1	(1) Total water withdrawn, percentage from regions with High or Extremely High Baseline Water Stress	m ³ , Percentage (%)	1,000 ³ , 0	8,000 ³ , 0	10,000 ³ , 0
		(2) Total water consumed; percentage from regions with High or Extremely High Baseline Water Stress	m ³ , Percentage (%)	Not monitored ⁴	Not monitored ⁴	Not monitored ⁴
	IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks		The Group’s Renewable Energy Division operates a hydropower facility that depends on natural river flow. Changes in rainfall patterns, prolonged dry periods or extreme weather events may affect water levels and electricity generation. The Group monitors hydrological conditions and manages operations accordingly to maintain stable generation and comply with regulatory requirements. Water-related risks are assessed as part of the Group’s broader climate risk management.		
	IF-EU-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Number	0	0	0
Coal Ash Management	Not applicable to the Division ⁶					

TOPIC	CODE	METRIC	UNIT OF MEASURE	2023	2024	2025
Energy affordability	IF-EU-240a.1	Average retail electric rate for: (1) residential	Average Rate	Not applicable ⁵	Not applicable ⁵	Not applicable ⁵
		(2) commercial	Average Rate	Not applicable ⁵	Not applicable ⁵	Not applicable ⁵
		(3) industrial customers	Average Rate	Not applicable ⁵	Not applicable ⁵	Not applicable ⁵
	IF-EU-240a.3	(1) Number of residential customer electric disconnections for non-payment	Number	Not applicable ⁵	Not applicable ⁵	Not applicable ⁵
		(2) percentage reconnected within 30 days	Percentage (%)	Not applicable ⁵	Not applicable ⁵	Not applicable ⁵
	IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory		Not applicable ⁵	Not applicable ⁵	Not applicable ⁵
Workforce health and safety	IF-EU-320a.1	(1) Total recordable incident rate (TRIR)	Rate	0	0	0
		(2) Fatality rate	Rate	0	0	0
		(3) Near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Rate	0	0	0
End-Use Efficiency & Demand	IF-EU-420a.2	Percentage of electric load served by smart grid technology	% by MWh	Not applicable ⁶	Not applicable ⁶	Not applicable ⁶
	IF-EU-420a.3	Customer electricity savings from efficiency measures, by market	MWh	Not applicable ⁶	Not applicable ⁶	Not applicable ⁶
Nuclear Safety & Emergency Management	Not applicable to the Division ⁶					
Grid Resiliency	IF-EU-550a.1	Number of incidents of non-compliance with physical or cybersecurity standards or	Number	Not currently tracked ⁷	Not currently tracked ⁷	Not currently tracked ⁷
	IF-EU-550a.2	(1) System Average Interruption Duration Index (SAIDI)	Minutes, Number	Not applicable ⁵	Not applicable ⁵	Not applicable ⁵
		(2) System Average Interruption Frequency Index (SAIFI)	Minutes, Number	Not applicable ⁵	Not applicable ⁵	Not applicable ⁵
		(3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Minutes, Number	Not applicable ⁵	Not applicable ⁵	Not applicable ⁵

ACTIVITY METRICS (ELECTRIC UTILITIES INDUSTRY STANDARD)

ACTIVITY METRIC	CODE	UNIT OF MEASURE	2023	2024	2025
Number of: (1) residential, (2) commercial, and (3) industrial customers served	IF-EU-000.A	Number	(1) Not applicable ⁸ (2) 0 (3) 9 ⁹	(1) Not applicable ⁸ (2) 0 (3) 13 ⁹	(1) Not applicable ⁸ (2) 0 (3) 30 ⁹
Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	IF-EU-000.B	MWh	(1) Not applicable ⁸ (2) 0 (3) 28,231.32 (4) Not applicable ⁸ (5) 2,082,874.23	(1) Not applicable ⁸ (2) 0 (3) 34,322.49 (4) Not applicable ⁸ (5) 2,238,577.17	(1) Not applicable ⁸ (2) 0 (3) 39,088.12 (4) Not applicable ⁸ (5) 2,365,590.87
Length of transmission and distribution lines	IF-EU-000.C	Kilometres (km)	28	100	100
Total electricity generated, percentage by major energy source, percentage in regulated markets	IF-EU-000.D	MWh, Percentage (%)	2,111,105.54 ¹⁰ total electricity generated 98.66% of Hydro 1.33% of Solar 100% ⁸ in regulated markets	2,272,899.66 ¹⁰ total electricity generated 98.49% of Hydro 1.51% of Solar 100% ⁸ in regulated markets	2,404,678.99 ¹⁰ total electricity generated 98.37% of Hydro 1.63% of Solar 100% ⁸ in regulated markets
Total wholesale electricity purchased	IF-EU-000.E	MWh	Not applicable ⁶	Not applicable ⁶	Not applicable ⁶

PACKAGING (SASB INDUSTRY: CONTAINERS AND PACKAGING)

TOPIC	CODE	METRIC	UNIT OF MEASURE	2023	2024	2025
GHG emissions	RT-CP-110a.1	Gross global Scope 1 emissions	tCO ₂ e	3,350.67	3,235.24	3,309.15
		Percentage covered under emissions-limiting regulations	Percentage (%)	Not applicable ¹	Not applicable ¹	Not applicable ¹
	RT-CP-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets		Scope 1 emissions in the Packaging Division mainly arise from fuel consumption in manufacturing operations. The Group manages these emissions through operational efficiency measures and maintenance practices and reviews performance periodically. There is no standalone Scope 1 reduction target for the Packaging Division.		
Air quality	RT-CP-120a.1	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O)	Tonnes (t)	Data not available ¹¹	Data not available ¹¹	3.6 (mg/m ³) ¹²
		(2) SO _x	Tonnes (t)	Data not available ¹¹	Data not available ¹¹	3.8 (mg/m ³) ¹²
		(3) Volatile organic compounds (VOCs)	Tonnes (t)	Data not available ¹¹	Data not available ¹¹	101.2 (mg/m ³) ¹²
		(4) Particulate matter (PM)	Tonnes (t)	Data not available ¹¹	Data not available ¹¹	42.7 (mg/m ³) ¹²
Energy Management	RT-CP-130a.1	(1) Total energy consumed	Gigajoules (GJ)	199,700.04 ¹³	195,184.43 ¹³	212,014.31 ¹³
		(2) Percentage grid electricity	Percentage (%)	65.84	65.67	72.33
		(3) Percentage renewable	Percentage (%)	4.54	5.76	2.06
		(4) Total self-generated energy	Gigajoules (GJ)	9,061.97 ¹³	11,250.65 ¹³	4,363.16 ¹³

TOPIC	CODE	METRIC	UNIT OF MEASURE	2023	2024	2025
Water Management	RT-CP-140a.1	(1) Total water withdrawn; percentage from regions with High or Extremely High Baseline Water Stress	m³, Percentage (%)	78,008.75, 0	74,924.00, 0	86,396.29, 0
		(2) Total water consumed; percentage from regions with High or Extremely High Baseline Water Stress	m³, Percentage (%)	Not monitored ⁴	Not monitored ⁴	Not monitored ⁴
	RT-CP-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks		At Stenta Films, the Leistriz cooling system was upgraded by replacing the cooling tower arrangement with the existing chiller system. At the Stenta Multifilms building, three 150 RT cooling towers were replaced with a new 800 RT cooling tower. Together, these upgrades reduced water consumption for cooling by more than 60%.		
	RT-CP-140a.3	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Number	0	0	0
Waste Management	RT-CP-150a.1	Amount of hazardous waste generated, percentage recycled	Tonnes (t)	297.04	384.43	496.21
			Percentage (%)	Not monitored ¹⁴	Not monitored ¹⁴	61.80
Product safety	RT-CP-250a.1	(1) Number of recalls issued	Number	Data not available ¹⁵	Data not available ¹⁵	Voluntary – 1 Involuntary – 0
		(2) total units recalled	Number	Data not available ¹⁵	Data not available ¹⁵	Voluntary – 31 Involuntary – 0 SF-OM-FS-030 Product Recall and Withdrawal & Product Mock Recall
	RT-CP-250a.2	Discussion of process to identify and manage emerging materials and chemicals of concern		At Stenta, the Group applies the SF-OM-RD-003 Raw Material Qualification procedure to assess and approve raw materials before use. This includes checks on applicable regulatory and customer requirements, product quality and processability, and food safety requirements where relevant. Responsibilities for sourcing, evaluation and approval are defined in the procedure. Across Hexachase Group, materials and chemicals are screened for regulatory and customer requirements during procurement and product development. Key processes includes: 1. Assessment of materials and chemicals Materials and chemicals are reviewed during procurement and product development to identify potential hazards and compliance requirements. This includes checking substances against relevant regulations and evaluating suitability based on intended use. 2. Risk controls and management measures Where materials are identified as higher risk, controls are applied, including safe handling and storage procedures, supplier requirements for SDS/MSDS and compliance evidence, and clear labelling or handling instructions where necessary. 3. Monitoring and continuous improvement Compliance is monitored through periodic internal reviews, audits and testing where required. Findings are used to update controls, supplier requirements and internal procedures.		

TOPIC	CODE	METRIC	UNIT OF MEASURE	2023	2024	2025
Product Lifecycle Management	RT-CP-410a.1	Percentage of raw materials from: (1) Recycled content	% by weight	Not monitored ¹⁴	Not monitored ¹⁴	38.32
		(2) Renewable resources	% by weight	Not monitored ¹⁴	Not monitored ¹⁴	1.50%
		(3) Renewable and recycled content	% by weight	Not monitored ¹⁴	Not monitored ¹⁴	33.98%
	RT-CP-410a.2	Revenue from products that are reusable, recyclable, or compostable	Ringgit Malaysia	Not monitored ¹⁴	Not monitored ¹⁴	328,038,071.78 ¹⁶
	RT-CP-410a.3			Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle The Packaging Division reduces environmental impact across the packaging lifecycle by focusing on material choice, design for recyclability and responsible sourcing. Stenta focuses on product and design improvements, including: - Increasing recycled content in flexible packaging films to reduce reliance on virgin materials. - Developing recyclable mono-material (monolayer) stand-up pouches for detergent and food applications to improve recyclability compared with multi-layer laminates. Hexachase Group focuses on material sourcing and lifecycle-based selection: - Maximising recycled content: In 2025, 14,312.62 tonnes (95%) of raw materials used were from recycled sources. Recycled content reached 100% during selected months, reducing the use of virgin raw materials. - Using renewable materials where needed: Where recycled materials were not technically or commercially suitable, 682.78 tonnes (5%) of renewable materials were used to maintain packaging performance and product protection requirements. - Lifecycle-based decision-making: Materials are selected based on overall lifecycle considerations, including sourcing, manufacturing, transport, use and end-of-life outcomes, with preference given to solutions that reduce overall environmental footprint while meeting customer and regulatory requirements. These strategies are intended to reduce virgin material use, support circularity and improve end-of-life outcomes for packaging.		
Supply Chain Management	RT-CP-430a.1	Total wood fibre procured; percentage from certified sources	Tonnes (t), Percentage (%)	Not monitored ¹⁴	Not monitored ¹⁴	16,373.01, 100
	RT-CP-430a.2	Total aluminium purchased; percentage from certified sources	Tonnes (t), Percentage (%)	Not monitored ¹⁴	Not monitored ¹⁴	412.77, 100

ACTIVITY METRICS (SASB INDUSTRY: CONTAINERS AND PACKAGING)

ACTIVITY METRIC	CODE	UNIT OF MEASURE	2023	2024	2025
Amount of production, by substrate	RT-CP-000.A	Tonnes (t)	Not monitored ¹⁴	Not monitored ¹⁴	33,019.11 Petroleum -based substrate 13,269.10 Paper/Wood Fibre
Percentage of production as: (1) paper/wood, (2) glass, (3) metal, and (4) plastic	RT-CP-000.B	% by revenue	Not monitored ¹⁴	Not monitored ¹⁴	(1) 23 (2) 0 (3) 0 (4) 77
Number of employees	RT-CP-000.C	Number	725	768	814

RESOURCES (SASB INDUSTRY: CHEMICALS)

TOPIC	CODE	METRIC	UNIT OF MEASURE	2023	2024	2025
GHG emissions	RT-CP-110a.1	Gross global Scope 1 emissions	tCO ₂ e	504,930.10	513,803.16	442,905.39
		Percentage covered under emissions-limiting regulations	Percentage (%)	Not applicable ¹	Not applicable ¹	Not applicable ¹
	RT-CP-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Scope 1 emissions in the Resources Division are managed through operational efficiency and equipment upgrades that reduce energy losses and improve process reliability. In FYE2025, initiatives included downsizing an oversized motor for the K5 Lime Cooling Blower (160 kW to 132 kW), with an estimated annual electricity saving of 245,280 kWh/year, and upgrading blower start-up control from Star-Delta to soft starter technology to reduce inrush current and peak starting demand. While there is no specific Scope 1 reduction target for the Resources Division, emissions management is incorporated into the Group's broader climate target i.e. to achieve Net Zero Emissions by 2050. Scope 1 emissions for the Division decreased from 504,930.10 tCO₂e in 2023 to 442,905 tCO₂e in 2025.			
Air quality	RT-CP-120a.1	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O)	mg/m ³ or tonnes (t)	118.4 (mg/m ³) ¹⁷	145.2 (mg/m ³) ¹⁷	8.2 (t)
		(2) SO _x	mg/m ³ or tonnes (t)	4.4 (mg/m ³) ¹⁷	1.3 (mg/m ³) ¹⁷	15.3 (t)
		(3) Volatile organic compounds (VOCs)	mg/m ³ or tonnes (t)	Data not available ¹⁸	Data not available ¹⁸	Data not available ¹⁸
		(4) Hazardous air pollutants (HAPs)	mg/m ³ or tonnes (t)	Data not available ¹⁸	Data not available ¹⁸	Data not available ¹⁸
Energy Management	RT-CP-130a.1	(1) Total energy consumed	Gigajoules (GJ)	1,717,989.87 ¹³	1,798,697.36 ¹³	1,736,881.42 ¹³
		(2) Percentage grid electricity	Percentage (%)	6.13	6.24	5.59
		(3) Percentage renewable	Percentage (%)	0	0	0
		(4) Total self-generated energy	Gigajoules (GJ)	0	0	0

TOPIC	CODE	METRIC	UNIT OF MEASURE	2023	2024	2025
Water Management	RT-CP-140a.1	(1) Total water withdrawn; percentage from regions with High or Extremely High Baseline Water Stress	m³, Percentage (%)	11,610.00, 0	94,170.00, 0	64,098.00, 0
		(2) Total water consumed; percentage from regions with High or Extremely High Baseline Water Stress	m³, Percentage (%)	Not monitored ⁴	Not monitored ⁴	Not monitored ⁴
	RT-CP-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Number	0	0	0
	RT-CP-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	The Resources Division uses water mainly from municipal supply for operational needs such as dust control, equipment cleaning and general plant use. Key risks include supply disruption during dry periods, changes to discharge requirements, and potential spills or runoff affecting nearby waterways. To manage these risks, the Division monitors and manages water use, maintains basic operational controls and follows applicable regulatory requirements. Material water-related issues are escalated through management and the Group's risk reporting process.			
Hazardous Waste Management	RT-CP-150a.1	(1) Amount of hazardous waste generated	Tonnes (t)	9.08	8.68	14.06
		(2) Percentage recycled	Percentage (%)	100	100	100
Community Relations	RT-CH-210a.1	Discussion of process to manage risks and opportunities associated with community rights and interests	The Division manages these risks through routine site management processes and compliance requirements. This is done by: - Identifying who may be affected around each site (e.g. nearby residents, schools, local businesses). - Managing impacts through operational controls, such as site housekeeping and monitoring of dust/noise where required. - Handling complaints or concerns through site-level channels so issues can be logged, investigated and closed out. - Escalating material issues to management and including them in the Division's risk tracking where they could lead to disruption, penalties or reputational impact. This process is intended to minimise disruption risk and maintain good working relationships with communities near operational sites.			
Workforce health and safety	RT-CH-320a.1	(1) Total recordable incident rate (TRIR) (a) direct employees and (b) contract employees	Rate	(a) 0.88 ¹⁹ (b) -	(a) 0.71 (b) -	(a) 1.50 (b) -
		(2) Fatality rate for (a) direct employees and (b) contract employees	Rate	(a) 0 (b) 0	(a) 0 (b) 0	(a) 0 (b) 0

TOPIC	CODE	METRIC	UNIT OF MEASURE	2023	2024	2025
	RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	A Chemical Health Risk Assessment (CHRA) was carried out in FYE2025 at Resources in line with Regulation 9 of the OSH (USECHH) Regulations 2000. The CHRA is used to identify long-term (chronic) health risks from chemical exposure and to guide how the site manages exposure controls, training, monitoring and health surveillance. Scope of assessment 118 chemicals assessed 10 work areas and 10 work units reviewed How RCI manages chronic exposure risk - Assess: identify chemical hazards and assess exposure routes (inhalation, skin contact and ingestion). - Monitor: review exposure conditions and determine where exposure monitoring and health surveillance are required. - Reduce: evaluate the effectiveness of existing controls and implement priority actions to reduce exposure, including improvements to engineering controls, safe work procedures and use of PPE. - Train: provide targeted training to employees and contractors working in higher-risk areas. Overall, the CHRA strengthens RCI's approach to preventing long-term chemical health effects by improving risk controls, supporting early health intervention and maintaining compliance with USECHH requirements.			
Product Design for Use-phase Efficiency	RT-CH-410a.1	Revenue from products designed for use-phase resource efficiency	Ringgit Malaysia	Not applicable ²⁰	Not applicable ²⁰	Not applicable ²⁰
Safety & Environmental Stewardship of Chemicals	RT-CH-410b.1	(1) Percentage of products that contain Globally Harmonised System of Classification and Labelling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances	% by revenue	Not applicable ²¹	Not applicable ²¹	Not applicable ²¹
		(2) Percentage of such products that have undergone a hazard assessment	Percentage (%)	Not applicable ²¹	Not applicable ²¹	Not applicable ²¹
	RT-CH-410b.2	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human or environmental impact	The Group manages chemicals through regulatory compliance and established safety controls, including supplier checks, safe handling and storage, labelling, maintaining Safety Data Sheets (SDS) at sites, employee training and emergency response procedures. The Group conducts periodic workplace chemical risk assessments and implements control measures through its health and safety processes. These controls are supported by the Group's Integrated Management System (IMS), which includes document control, operational controls and incident management. The Group will continue to improve data collection and assess opportunities to substitute lower-hazard alternatives where practical, and will update disclosures as data quality improves.			
Genetically Modified Organisms	RT-CH-410c.1	Percentage of products by revenue that contain genetically modified organisms (GMOs)	% by revenue	Not applicable ²⁰		
Management of the Legal & Regulatory Environment	RT-CH-530a.1	Discussion of corporate positions related to government regulations or policy proposals that address environmental and social factors affecting the industry	The Group keeps track of regulatory and policy changes that may affect the Resources Division, including environmental requirements, energy efficiency rules and potential carbon pricing. The Group's position is to comply with all applicable requirements and support regulations that are clear and practical to apply. Where relevant, the Group provides input through formal consultations or industry associations.			

TOPIC	CODE	METRIC	UNIT OF MEASURE	2023	2024	2025
Operational Safety, Emergency Preparedness & Response	RT-CH-540a.1	Process Safety Incidents Count (PSIC)	Number	Not monitored ²²	Not monitored ²²	Not monitored ²²
		Process Safety Total Incident Rate (PSTIR)	Rate	Not monitored ²²	Not monitored ²²	Not monitored ²²
		Process Safety Incident Severity Rate (PSISR)	Rate	Not monitored ²²	Not monitored ²²	Not monitored ²²
	RT-CH-540a.2	Number of transport incidents	Number	Not monitored ²²	Not monitored ²²	Not monitored ²²

ACTIVITY METRICS (SASB INDUSTRY: CHEMICALS)

ACTIVITY METRIC	CODE	UNIT OF MEASURE	2023	2024	2025
Production by reportable segment	RT-CH-000.A	Metric tonnes (t) saleable	464,659.00 of Quicklime	466,815.00 of Quicklime	419,105.00 of Quicklime

Footnotes:

- The Group's Renewable Energy, Packaging and Resources operations were not subject to emissions-limiting regulations in the current reporting period.
- Electricity delivered is generated from hydropower and solar PV. These sources do not involve fossil fuel combustion. Direct GHG emissions associated with power deliveries are 0 for the reporting period.
- Surface water withdrawn increased significantly in FYE2024 compared with FYE2023 due to the inclusion of an estimated volume of surface water used at DSHP (Lao PDR). The same scope was applied in FYE2025.
- Not monitored (water consumed) because the Group does not currently measure total water consumed at the level required for this metric.
- The Group does not sell electricity directly to end customers and therefore does not set retail tariffs or manage customer disconnections/reconnections. DSPC sells its electricity to Electricité du Laos (EDL) under an offtake arrangement; EDL (and downstream distributors) are responsible for retail sales and customer pricing.
- The Renewable Energy Division is primarily an electricity generation business (hydropower and solar PV). It does not operate coal-fired or nuclear generation and does not operate electricity transmission or distribution networks. The Group also does not purchase electricity on the wholesale market for resale to customers. Accordingly, certain disclosures in the SASB industry standards for Electric Utilities and Power Generators (e.g. coal ash, air quality, nuclear safety, grid reliability and smart grid metrics) are not applicable.
- Not currently tracked. The Group is establishing processes to track and report such incidents.
- Hydropower generation is sold to Electricité du Laos (EDL) under contractual arrangements. Solar generation is sold under commercial and industrial power purchase agreements (PPA).
- The number of customers served for this category is counted by number of sites billed instead of number of meters billed.
- The Scope of this disclosure excludes electricity consumed at the generating facilities (Note 7, Page 8 – Sustainability Accounting Standards Electricity utilities and power generators).
- Data not available for FYE2023–FYE2024 because stack emissions monitoring for these pollutants was not conducted for the Packaging Division operations in those years. Monitoring commenced in FYE2025 and the results are disclosed.
- The result for the air emission monitoring process were only available in concentration (mg/m³) for 2025. Monitoring process in the following year will include result in Metric tonnes. Air emissions are based on annual stack monitoring conducted by external accredited laboratories. CEMS is not installed. PM is measured during stack monitoring and the mass emissions are calculated using measured dust concentration and stack volumetric flow rate. VOC is measured using gas analysis methods. Hexachase Group applies MS 1596:2003 for PM and USEPA Method 25A for VOC. Stenta determined their air emission through periodic stack monitoring resulted from engineering calculations. Dust concentration and total stack volumetric discharge are measured using instruments. The particulate mass flow rate is calculated by multiplying dust concentration with stack volumetric flow rate which then determine Total Particulate Matter (TPM) concentration. VOC concentration is measured directly during monitoring using a gas analyser.
- The Group has opted to report energy consumption using Net Calorific Value (NCV) for all fuel types. This approach ensures alignment with the GHG Protocol Corporate Standard used for emissions calculations. Using a consistent calorific basis across both energy and emissions reporting prevents methodological discrepancies and provides a more transparent view of operational energy intensity.
- Not monitored for FYE2023–FYE2024. Monitoring/data collection commenced in FYE2025.
- Data not available for FYE2023–FYE2024 because recall tracking was not captured at the level required for this metric. A central recall log was implemented in FYE2025.
- Revenue from products that are reusable, recyclable or compostable is currently disclosed only for Hexachase Packaging and Stenta within the Packaging Division. This metric is not monitored for Hexachase Flexipack and Hexachase Labels for the reporting period.
- The emissions for FYE2023 - FYE2024 were calculated and reported based solely on concentration values (mg/m³). Converting these figures into tonnes would require detailed backdated data, including stack flow rate and operating hours, which were not collected at that time. However, beginning in 2025, we have been able to report emissions in tonnes, as the necessary data (e.g. flow rate and operating hours) has been collected on a monthly basis to support the conversion.
- Data not available for FYE2023–FYE2025 because stack emissions monitoring for these pollutants was not conducted for the Resources Division. Monitoring/data collection will be commenced in the following financial years.
- The FYE2023 TRIR disclosed represents the Group-level TRIR.
- Not applicable because the Resources Division does not sell products designed specifically to improve customers' use-phase resource efficiency and its products do not contain genetically modified organisms (GMOs).
- Not monitored (GHS / hazard assessment metrics) FYE2023–FYE2025 because product-level GHS Category 1–2 classification and hazard assessment status are not tracked on a revenue basis. The Group is improving data collection and will disclose these metrics once available and verified.
- Not monitored for FYE2023–FYE2025 as these process safety and transport incident metrics are not currently captured. The Group is strengthening incident tracking and will disclose these metrics when available and verified.

IFRS S2 CROSS-INDUSTRY METRICS

METRIC CATEGORY	METRIC	UNIT OF MEASURE	FYE 2025	NOTE
Greenhouse gas (GHG) emissions	Total Absolute Emissions	tCO ₂ e	752,520.39	MFCB GHG Emissions inventory adopts an operational control approach, accounting for 100% of emissions from subsidiaries in Malaysia, Lao PDR and Cambodia, unless stated otherwise.
	Scope 1	tCO ₂ e	451,937.95	
	Scope 2	tCO ₂ e	56,303.22	Scope 2 is calculated using the location-based grid emission factor (Malaysia: 0.774, Cambodia: 0.2339 and Lao PDR: 0.5595) with a unit of tCO ₂ e/MWh.
	Scope 3:	tCO ₂ e	244,279.22	Scope 3 excludes Food Security Division in Malaysia. Category 7 emissions are calculated by combining two sets of data: 1. Employee air travel data for 2025, 2. Employee land travel data from a 2024 survey. The employee commuting survey data is updated on a three-year cycle.
	Category 1		92,380.29	
	Category 4		82,664.48	
	Category 5		942.61	
	Category 6		376.95	
	Category 7		1,713.56	
	Category 9		66,201.34	
Climate-related transition risks	Profit that could be affected by low carbon transition (i.e. carbon tax risk) in the medium to long term	RM	-	Not quantified at this juncture due to measurement uncertainty.
Climate-related physical risks	The number of Group's owned premises in an area subject to coastal flood in the medium to long term	Number	-	
	The number of Group's sites in an area subject to river flood in the medium to long term	Number	17	
	The number of Group's sites in an area subject to water stress in the medium to long term	Number	1	
Climate-related opportunities	Revenue from Renewable Energy Division	RM	658,958,000.00	Including construction revenue.
	Percentage of Renewable Energy Division revenue over the Group revenue	% of revenue	46.4	
Capital deployment	Amount used by the Group towards climate-related risks and opportunities during the financial year	RM	121,231,000	
Internal carbon prices	Internal carbon price used	RM per tCO ₂ e	Not implemented	The Group has not implemented internal carbon pricing at this juncture.
Remuneration	The percentage of current period executive management remuneration that is connected to climate-related considerations	%	0	

12. STATEMENT OF ASSURANCE

This ISSB Sustainability Statement has not been subject to internal audit review or external assurance. The Group intends to progressively obtain internal audit review and external assurance of its ISSB Sustainability Statement in future financial years.

13. EVENTS AFTER THE REPORTING PERIOD

No transactions, other events or conditions occurring after the end of the reporting period and before the date of authorisation of issue of this report have taken place that need to be disclosed in this sustainability report.

14. BURSA MALAYSIA'S CSI PRESCRIBED TABLE

(see next page)

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Shift towards sustainability practices and disclosures	=	Narratives	Started a group-wide IFRS S1 and S2 including climate risk assessment and is on track to enhance its sustainability disclosures in alignment with the IFRS S2S and Bursa Malaysia's listing requirements under the NSRF.	No target set	No assurance	
Biodiversity	=	Narratives	• Collaboration with the Don Sahong Fisheries Management Committee (DSFMC). These efforts are further strengthened by the adoption of the Don Sahong Fisheries Management Plan (DSFMP) and the implementation of the Fisheries Monitoring and Action Plan (FishMAP), both of which are supported by DSFC through the DSFMC. • DSFMC has removed over 906 illegal fishing gears from six (6) main fish channels since 2016. • DSFC supports annual fish restocking activities, releasing 310,000 fingerlings since 2016.	• Net positive impact on biodiversity and maintain, enhance or restore the integrity of the ecosystem within and around our project area by 2050 • Implementing two major conservation projects with measured outcomes by 2030	No assurance	
Biodiversity	=	Narratives	DSFC has published a total of eight (8) scientific studies related to the ecosystems in the areas of operation since 2016.	• Publishing at least two scientific studies by 2030 related to the ecosystems in the areas of operation	No assurance	

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Biodiversity	-	Narratives	- DMP has identified and selected five (5) suitable local plant species to support the long-term reforestation and environmental enhancement programmes. - DMP has planted 9,690 tree seedlings cumulatively since 2016.	Planting 20,000 trees by 2030 as part of ecosystem rehabilitation initiatives.	No assurance	
• Health and safety	Number of employees trained	Number	770	No target set	Internal	
Footnote Sustainability Matter	Internal assurance was limited to three main divisions: Renewable Energy, Resources, and Packaging.					
• Health and safety	Fatalities	Number	0	No target set	Internal	
Footnote Sustainability Matter	Internal assurance was limited to three main divisions: Renewable Energy, Resources, and Packaging.					
• Health and safety	Lost Time Incident Rate (LTIR)	Number	1.85	No target set	Internal	
Footnote Sustainability Matter	Internal assurance was limited to three main divisions: Renewable Energy, Resources, and Packaging.					

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Greenhouse gas (GHG) Emissions	Total Absolute Emissions	tCO2e	752,520	Net zero emissions by 2050	No assurance	
Greenhouse gas (GHG) Emissions	Scope 1	tCO2e	453,938	Net zero emissions by 2050	No assurance	
Greenhouse gas (GHG) Emissions	Scope 2	tCO2e	56,303	Net zero emissions by 2050	No assurance	
Greenhouse gas (GHG) Emissions	Scope 3	tCO2e	244,279	Net zero emissions by 2050	No assurance	
Greenhouse gas (GHG) Emissions	Scope 3 - Category 1: Purchased Goods and Services	tCO2e	92,390	Net zero emissions by 2050	No assurance	
Greenhouse gas (GHG) Emissions	Scope 3 - Category 4: Upstream Transportation and Distribution	tCO2e	82,664	Net zero emissions by 2050	No assurance	
Greenhouse gas (GHG) Emissions	Scope 3 - Category 5: Waste Generated in Operations	tCO2e	943	Net zero emissions by 2050	No assurance	
Greenhouse gas (GHG) Emissions	Scope 3 - Category 6: Business Travel	tCO2e	377	Net zero emissions by 2050	No assurance	
Greenhouse gas (GHG) Emissions	Scope 3 - Category 7: Employee Commuting	tCO2e	1,714	Net zero emissions by 2050	No assurance	
Greenhouse gas (GHG) Emissions	Scope 3 - Category 8: Downstream Transportation and Distribution	tCO2e	66,305	Net zero emissions by 2050	No assurance	
Climate-related transition risks	Profit that could be affected by low carbon transition (i.e. carbon tax risk) in the medium to long term	RM	-	No target set	No assurance	Not quantified at this juncture due to measurement uncertainty
Climate-related physical risks	The number of Group's owned premises in an area subject to coastal flood in the medium to long term	Number	-	No target set	No assurance	

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Climate-related physical risks	The number of Group's sites in an area subject to river flood in the medium to long term	Number	37	No target set	No assurance	
Climate-related physical risks	The number of Group's sites in an area subject to water stress in the medium to long term	Number	3	No target set	No assurance	
Climate-related opportunities	Revenue from Renewable Energy Division	RM	658,958,000	No target set	No assurance	Including construction revenue
Climate-related opportunities	Percentage of Renewable Energy Division revenue over the Group revenue	% of revenue	46	No target set	No assurance	
Capital deployment	Amount used by the Group towards climate-related risks and opportunities during the financial year	RM	321,231,000	No target set	No assurance	
Internal carbon prices	Internal carbon price used	RM per tCO2e	Not implemented	No target set	No assurance	The Group has not implemented internal carbon pricing at this juncture.
Remuneration	The percentage of current period executive management remuneration that is connected to climate-related considerations	%	0	No target set	No assurance	

IFRS S1 CONTENT INDEX

IFRS S1 DISCLOSURE	DESCRIPTION	REPORT SECTION	PAGE(S)
GOVERNANCE			
27)	To achieve this objective, an entity shall disclose information about:		
(a)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about:		
i)	How responsibilities for sustainability-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s)	Sustainability Governance	34-35
ii)	How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to sustainability-related risks and opportunities		
iii)	How and how often the body(s) or individual(s) is informed about sustainability-related risks and opportunities		
iv)	How the body(s) or individual(s) takes into account sustainability-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities		
v)	How the body(s) or individual(s) oversees the setting of targets related to sustainability related risks and opportunities, and monitors progress towards those targets, including whether and how related performance metrics are included in remuneration policies.		
(b)	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities, including information about:		
i)	whether the role is delegated to a specific management-level position or management level committee and how oversight is exercised over that position or committee	Sustainability Governance	34-35
ii)	whether management uses controls and procedures to support the oversight of sustainability-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions		
STRATEGY			
29)	Specifically, an entity shall disclose information to enable users of general-purpose financial reports to understand:		
(a)	The sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects	Summary of Sustainability-Related Risks and Opportunities; Materiality Assessment	29, 33-34
(b)	The current and anticipated effects of those sustainability-related risks and opportunities on the entity's business model and value chain	Overview of the Group and Value Chain; Other Sustainability-Related Risks	30, 39-40
(c)	The effects of those sustainability-related risks and opportunities on the entity's strategy and decision-making	Climate-related Physical Risks; Climate-related Transition Risks; Climate-related Transition Opportunity; Other Sustainability-Related Risks	35-40
(d)	The effects of those sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those sustainability related risks and opportunities have been factored into the entity's financial planning		
(e)	The resilience of the entity's strategy and its business model to those sustainability related risks		
SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES			
30)	An entity shall disclose information that enables users of general purpose financial reports to understand the sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall:		
(a)	Describe sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects	Summary of Sustainability-Related Risks and Opportunities; Materiality Assessment; Climate-Related Physical Risks; Climate-Related Transition Risks; Climate-Related Transition Opportunity; Other Sustainability-Related Risks	29, 33, 35-40
(b)	Specify the time horizons—short, medium or long term—over which the effects of each of those sustainability-related risks and opportunities could reasonably be expected to occur	Basis of Preparation (Connectivity with Financial Statements); Climate-Related Physical Risks; Climate-Related Transition Risks; Climate-Related Transition Opportunity; Other Sustainability-Related Risks	29-30, 35-40
(c)	Explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making		
BUSINESS MODEL AND VALUE CHAIN			
32)	An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose:		
(a)	A description of the current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain	Overview Of the Group and Value Chain; Climate-Related Physical Risks; Climate-Related Transition Risks; Climate-Related Transition Opportunity; Other Sustainability-Related Risks	30, 35 - 40
(b)	A description of where in the entity's business model and value chain sustainability related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets)	Overview Of the Group and Value Chain (Value Chain); Reporting Boundary	30-32

IFRS S1 DISCLOSURE	DESCRIPTION	REPORT SECTION	PAGE(S)
STRATEGY AND DECISION-MAKING			
33)	An entity shall disclose information that enables users of general purpose financial reports to understand the effects of sustainability-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose information about:		
(a)	How the entity has responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making	Overview Of the Group and Value Chain (Strategy and Sustainability-Related Goals); Other Sustainability-Related Risks	30, 39-40
(b)	The progress against plans the entity has disclosed in previous reporting periods, including quantitative and qualitative information	Not applicable	
(c)	Trade-offs between sustainability-related risks and opportunities that the entity considered (for example, in making a decision on the location of new operations, an entity might have considered the environmental impacts of those operations and the employment opportunities they would create in a community)	Not applicable	
FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS			
34)	An entity shall disclose information that enables users of general purpose financial reports to understand:		
(a)	The effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects)	Other Sustainability-Related Risks; Metrics and Targets	39-51
(b)	The anticipated effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how sustainability-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	Other Sustainability-Related Risks	39-40
35)	Specifically, an entity shall disclose quantitative and qualitative information about:		
(a)	How sustainability-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period	Connectivity with Financial Statements; Climate-Related Physical Risks; Climate-Related Transition Risks; Climate-Related Transition Opportunity; Other Sustainability-Related Risks; Metrics and Targets	29, 35-51
(b)	The sustainability-related risks and opportunities identified in paragraph 35(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements	None noted	
(c)	How the entity expects its financial position to change over the short, medium and long term, given its strategy to manage sustainability-related risks and opportunities, taking into consideration		
i)	Its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to	Climate-Related Transition Opportunity; Other Sustainability-Related Risks	39-40
ii)	Its planned sources of funding to implement its strategy	Management Discussion and Analysis (Group Financial Position – Capital Structure and Resources Management)	25-26
(d)	how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage sustainability-related risks and opportunities.	Judgements and Measurement Uncertainties (Measurement Uncertainty); Other Sustainability-Related Risks	33 39-40
40)	If an entity determines that it need not provide quantitative information about the current or anticipated financial effects of a sustainability-related risk or opportunity applying the criteria set out in paragraphs 38–39, the entity shall:		
(a)	Explain why it has not provided quantitative information	Judgements and Measurement Uncertainties (Measurement Uncertainty); Other Sustainability-Related Risks	33, 39-40
(b)	Provide qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that sustainability-related risk or opportunity	Climate-Related Physical Risks; Climate-Related Transition Risks; Climate-Related Transition Opportunity; Other Sustainability-Related Risks	35-40
(c)	Provide quantitative information about the combined financial effects of that sustainability-related risk or opportunity with other sustainability-related risks or opportunities and other factors unless the entity determines that quantitative information about the combined financial effects would not be useful	Not disclosed due to measurement uncertainty	33
RESILIENCE			
41)	An entity shall disclose information that enables users of general purpose financial reports to understand its capacity to adjust to the uncertainties arising from sustainability-related risks. An entity shall disclose a qualitative and, if applicable, quantitative assessment of the resilience of its strategy and business model in relation to its sustainability-related risks, including information about how the assessment was carried out and its time horizon. When providing quantitative information, an entity may disclose a single amount or a range.	Other Sustainability-Related Risks	39-40

IFRS S1 DISCLOSURE	DESCRIPTION	REPORT SECTION	PAGE(S)
RISK MANAGEMENT			
44)	To achieve this objective, an entity shall disclose information about:		
(a)	The processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks, including information about:		
i)	The inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes)	Basis of Preparation; Reporting Boundary; Materiality Assessment	29-34
ii)	Whether and how the entity uses scenario analysis to inform its identification of sustainability-related risks	Climate-Related Physical Risks; Climate-Related Transition Risks; Climate-Related Transition Opportunity; Other Sustainability-Related Risks	35-40
iii)	How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria)	Materiality Assessment; Sustainability Governance (Risk Management)	33-35, 75-76
iv)	Whether and how the entity prioritises sustainability-related risks relative to other types of risk	Sustainability Governance (Risk Management); Statement of Risk Management and Internal Control (Risk Management Process)	34-35, 75-78
v)	How the entity monitors sustainability-related risks	Sustainability Governance	34-35
vi)	Whether and how the entity has changed the processes it uses compared with the previous reporting period	Statement of Risk Management and Internal Control (Risk Management Process); Sustainability Governance (Risk Management)	34-35, 75-78
(b)	The processes the entity uses to identify, assess, prioritise and monitor sustainability related opportunities	Materiality Assessment; Climate-Related Transition Opportunity	33-34, 39-40
(c)	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Sustainability Governance (Risk Management); Statement of Risk Management and Internal Control (Risk Management Process)	34-35, 75-78
METRICS AND TARGETS			
50)	If a metric has been developed by an entity, the entity shall disclose information about:		
(a)	How the metric is defined, including whether it is derived by adjusting a metric taken from a source other than IFRS Sustainability Disclosure Standards and, if so, which source and how the metric disclosed by the entity differs from the metric specified in that source	Metrics and Targets	41-50
(b)	Whether the metric is an absolute measure, a measure expressed in relation to another metric or a qualitative measure (such as a red, amber, green—or RAG—status)	Metrics and Targets	41-50
(c)	Whether the metric is validated by a third party and, if so, which party	Statement of Assurance	51
(d)	The method used to calculate the metric and the inputs to the calculation, including the limitations of the method used and the significant assumptions made	Judgements and Measurement Uncertainties; Metrics and Targets	33, 41-50
51)	An entity shall disclose information about the targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation. For each target, the entity shall disclose:		
(a)	The metric used to set the target and to monitor progress towards reaching the target	Overview Of the Group and Value Chain (Strategy and Sustainability-Related Goals)	30-31
(b)	The specific quantitative or qualitative target the entity has set or is required to meet		
(c)	The period over which the target applies		
(d)	The base period from which progress is measured		
(e)	Any milestones and interim targets	Overview Of the Group and Value Chain (Strategy and Sustainability-Related Goals); Please refer to Online MFCB's Sustainability Report 2025	30
(f)	Performance against each target and an analysis of trends or changes in the entity's performance	Other Sustainability-Related Risks; Metrics and Targets; Bursa Malaysia's CSI Prescribed Target; Please refer to Online MFCB's Sustainability Report 2025	39-50, 52-55
(g)	Any revisions to the target and an explanation for those revisions.	There were no revisions to targets	

IFRS S2 CONTENT INDEX

IFRS S2 DISCLOSURE	DESCRIPTION	REPORT SECTION	PAGE(S)
GOVERNANCE			
6)	To achieve this objective, an entity shall disclose information about:		
(a)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about:		

IFRS S2 DISCLOSURE	DESCRIPTION	REPORT SECTION	PAGE(S)
i)	How responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s)	Sustainability Governance	34-35
ii)	How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities		
iii)	How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities		
iv)	How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities		
v)	How the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets, including whether and how related performance metrics are included in remuneration policies		
(b)	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:		
i)	Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee	Sustainability Governance	34-35
ii)	Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.		
STRATEGY			
9)	Specifically, an entity shall disclose information to enable users of general purpose financial reports to understand:		
(a)	The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects	Summary of Sustainability-Related Risks and Opportunities; Materiality Assessment	29, 33-34
(b)	The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain	Overview of the Group and Value Chain; Climate-Related Physical Risks; Climate-Related Transition Risks ; Climate-Related Transition Opportunity	29, 35-39
(c)	The effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan	Climate-Related Physical Risks; Climate-Related Transition Risks	35-38
(d)	The effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning		
(e)	The climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities		
CLIMATE-RELATED RISKS AND OPPORTUNITIES			
10)	An entity shall disclose information that enables users of general purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall:		
(a)	Describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects	Climate-Related Physical Risks; Climate-Related Transition Risks; Climate-Related Transition Opportunity	35-39
(b)	Explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk		
(c)	Specify, for each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term—the effects of each climate-related risk and opportunity could reasonably be expected to occur		
(d)	Explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	Basis of Preparation (Connectivity with Financial Statements); Climate-Related Physical Risks; Climate-Related Transition Risks; Climate-Related Transition Opportunity	29, 35-39
BUSINESS MODEL AND VALUE CHAIN			
13)	An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose:		
(a)	A description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain	Overview Of the Group and Value Chain; Climate-Related Physical Risks; Climate-Related Transition Risks; Climate-Related Transition Opportunity	30, 35-39
(b)	A description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Reporting Boundary; Overview of the Group and Value Chain (Value Chain); Climate-Related Physical Risks	30-32, 35-37

IFRS S2 DISCLOSURE	DESCRIPTION	REPORT SECTION	PAGE(S)
STRATEGY AND DECISION-MAKING			
14)	An entity shall disclose information that enables users of general purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose:		
(a)	Information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about:		
i)	Current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water-intensive operations; resource allocations resulting from demand or supply-chain changes; resource allocations arising from business development through capital expenditure or additional expenditure on research and development; and acquisitions or divestments)	Climate-Related Physical Risks; Climate-Related Transition Risks; Climate-Related Transition Opportunity	35-39
ii)	Current and anticipated direct mitigation and adaptation efforts (for example, through changes in production processes or equipment, relocation of facilities, workforce adjustments, and changes in product specifications)	Climate-Related Physical Risks; Climate-Related Transition Risks; Climate-Related Transition Opportunity	35-39
iii)	Current and anticipated indirect mitigation and adaptation efforts (for example, through working with customers and supply chains)		
iv)	Any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies	Overview Of the Group and Value Chain (Strategy and Sustainability Related Goals); Climate-Related Transition Risks; Climate-Related Transition Opportunity	30, 37-39
v)	How the entity plans to achieve any climate-related targets, including any greenhouse gas emissions target	Overview Of the Group and Value Chain (Strategy and Sustainability Related Goals); Please refer to Online MFCB's Sustainability Report 2025	30
(b)	Information about how the entity is resourcing, and plans to resource, the activities	Climate-Related Transition Risks; Climate-Related Transition Opportunity; Metrics and Targets; Management Discussion and Analysis (Group Financial Position – Capital Structure and Resources Management)	25 - 26, 37-39, 41-50
(c)	Quantitative and qualitative information about the progress of plans disclosed in previous reporting periods	Metrics and Targets Please refer to Online MFCB's Sustainability Report 2025	41-50
FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS			
15)	An entity shall disclose information that enables users of general purpose financial reports to understand:		
(a)	The effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects)	Climate-Related Physical Risks; Climate-Related Transition Risks; Climate-Related Transition Opportunity; Metrics and Targets	35-39, 41-50
(b)	The anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects)		
16)	Specifically, an entity shall disclose quantitative and qualitative information about:		
(a)	How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period	Climate-Related Physical Risks; Climate-Related Transition Risks; Climate-Related Transition Opportunity; Metrics and Targets (IFRS S2 Cross-Industry Metrics)	35-39, 50-51
(b)	The climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements	None noted	
(c)	How the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:		
i)	Its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to	Climate-Related Transition Risks; Climate-Related Transition Opportunity; Metrics and Targets	37-39, 41-50
ii)	Its planned sources of funding to implement its strategy	Management Discussion and Analysis (Group Financial Position – Capital Structure and Resources Management)	75-78
(d)	How the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation).	Climate-Related Physical Risks; Climate-Related Transition Risks; Climate-Related Transition Opportunity; Metrics and Targets	35-39, 41-50
21)	If an entity determines that it need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity, the entity shall:		
(a)	Explain why it has not provided quantitative information	Judgements and Measurement Uncertainties (Measurement of Uncertainty); Climate-Related Physical Risks; Climate-Related Transition Risks	33, 35-38

IFRS S2 DISCLOSURE	DESCRIPTION	REPORT SECTION	PAGE(S)
(b)	Provide qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that climate-related risk or opportunity	Climate-Related Physical Risks; Climate-Related Transition Risks; Climate-Related Transition Opportunity	35-39
(c)	Provide quantitative information about the combined financial effects of that climate-related risk or opportunity with other climate-related risks or opportunities and other factors unless the entity determines that quantitative information about the combined financial effects would not be useful.	Climate-Related Physical Risks; Climate-Related Transition Risks; Climate-Related Transition Opportunity	35-39
CLIMATE RESILIENCE			
22)	An entity shall disclose information that enables users of general purpose financial reports to understand the resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities. The entity shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with the entity's circumstances. In providing quantitative information, the entity may disclose a single amount or a range. Specifically, the entity shall disclose:		
(a)	The entity's assessment of its climate resilience as at the reporting date, which shall enable users of general purpose financial reports to understand:		
i)	The implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis	Climate-Related Physical Risks; Climate-Related Transition Risks; Climate-Related Transition Opportunity	35-39
ii)	The significant areas of uncertainty considered in the entity's assessment of its climate resilience	Judgements and Measurement Uncertainties; Climate-Related Physical Risks; Climate-Related Transition Risks; Climate-Related Transition Opportunity	33, 35-38
iii)	The entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term, including: 1. The availability of, and flexibility in, the entity's existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities 2. The entity's ability to redeploy, repurpose, upgrade or decommission existing assets 3. The effect of the entity's current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience	Climate-Related Physical Risks; Climate-Related Transition Risks	35-39
(b)	How and when the climate-related scenario analysis was carried out, including:		
i)	Information about the inputs the entity used, including: 1. Which climate-related scenarios the entity used for the analysis and the sources of those scenarios 2. Whether the analysis included a diverse range of climate-related scenarios 3. Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks 4. Whether the entity used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change 5. Why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties 6. The time horizons the entity used in the analysis 7. That scope of operations the entity used in the analysis (for example	Climate-Related Physical Risks; Climate-Related Transition Risks; Climate-Related Transition Opportunity	35-39
ii)	The key assumptions the entity made in the analysis, including assumptions about: 1. Climate-related policies in the jurisdictions in which the entity operates 2. Macroeconomic trends 3. National- or regional-level variables (for example, local weather patterns, demographics, land use, infrastructure and availability of natural resources) 4. Energy usage and mix 5. Developments in technology	Climate-Related Physical Risks; Climate-Related Transition Opportunity	35-38
iii)	The reporting period in which the climate-related scenario analysis was carried out	Basis of Preparation	29
RISK MANAGEMENT			
25)	To achieve this objective, an entity shall disclose information about:		
(a)	The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about:		
i)	The inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes)	Basis of Preparation; Reporting Boundary	29, 31-32
ii)	Whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks	Climate-Related Physical Risks; Climate-Related Transition Risks; Climate-Related Transition Opportunity	35-40
iii)	How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria)		
iv)	Whether and how the entity prioritises climate-related risks relative to other types of risk	Sustainability Governance (Risk Management)	35
v)	How the entity monitors climate-related risks		
vi)	Whether and how the entity has changed the processes it uses compared with the previous reporting period	Statement of Risk Management and Internal Control (Risk Management Process); Please refer to Online MFCB's Sustainability Report 2025	75-78
(b)	The processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities	Materiality Assessment; Climate-Related Transition Opportunity	33, 39

IFRS S2 DISCLOSURE	DESCRIPTION	REPORT SECTION	PAGE(S)
(c)	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Sustainability Governance (Risk Management); Statement of Risk Management and Internal Control (Risk Management Process)	35, 75-78
METRICS AND TARGETS			
28)	To achieve this objective, an entity shall disclose:		
(a)	Information relevant to the cross-industry metric categories	Metrics and Targets (IFRS S2 Cross Industry Metrics)	50
(b)	Industry-based metrics that are associated with particular business models, activities or other common features that characterise participation in an industry	Metrics and Targets (SASB)	41-50
(c)	Targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets	Overview Of the Group and Value Chain (Strategy and Sustainability Related Goals); Please refer to Online MFCB's Sustainability Report 2025	30-31
CLIMATE-RELATED METRICS			
29)	An entity shall disclose information relevant to the cross-industry metric categories of:		
(a)	Greenhouse gases—the entity shall:		
i)	Disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO ² equivalent, classified as: 1. Scope 1 greenhouse gas emissions 2. Scope 2 greenhouse gas emissions 3. Scope 3 greenhouse gas emissions;	Metrics and Targets	50
ii)	Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions	Reporting Boundary	31-32
iii)	Disclose the approach it uses to measure its greenhouse gas emissions including: 1. The measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions 2. The reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions 3. Any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes	Reporting Boundary; Metrics and Targets	31-32, 41-50
iv)	For Scope 1 and Scope 2 greenhouse gas emissions disaggregate emissions between: 1. The consolidated accounting group (for example, for an entity applying IFRS Accounting Standards, this group would comprise the parent and its consolidated subsidiaries) 2. Other investees excluded from paragraph 29(a)(iv)(1) (for example, for an entity applying IFRS Accounting Standards, these investees would include associates, joint ventures and unconsolidated subsidiaries)		
v)	For Scope 2 greenhouse gas emissions, disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions	Metrics and Targets	41-50
vi)	For Scope 3 greenhouse gas emissions, disclose: 1. The categories included within the entity's measure of Scope 3 greenhouse gas emissions 2. Additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance	Reporting Boundary; Metrics and Targets	31-32, 41-50
(b)	Climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks	Metrics and Targets	41-50
(c)	Climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks		
(d)	Climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities		
(e)	Capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities		
(f)	Internal carbon prices—the entity shall disclose:		
i)	An explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis)	Metrics and Targets	41-50
ii)	The price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions		
(g)	Remuneration—the entity shall disclose:		
i)	A description of whether and how climate-related considerations are factored into executive remuneration	Sustainability Governance (Impact of Sustainability on Remuneration Policies)	35
ii)	The percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations.	Metrics and Targets	41-50

IFRS S2 DISCLOSURE	DESCRIPTION	REPORT SECTION	PAGE(S)
32)	An entity shall disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the entity discloses, the entity shall refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the Industry-based Guidance on Implementing IFRS S2.	Metrics and Targets	41-50
CLIMATE-RELATED TARGETS			
33)	An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose:		
(a)	The metric used to set the target	Overview Of the Group and Value Chain	30-31
(b)	The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives)		
(c)	The part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region)		
(d)	The period over which the target applies		
(e)	The base period from which progress is measured		
(f)	Any milestones and interim targets	Overview Of the Group and Value Chain (Strategy and Sustainability Related Goals); Please refer to Online MFCB's Sustainability Report 2025 Our targets were set with reference to the timelines established under international climate agreements and Malaysia's national commitments.	30-31
(g)	If the target is quantitative, whether it is an absolute target or an intensity target		
(h)	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.		
34)	An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:		
(a)	Whether the target and the methodology for setting the target has been validated by a third party	Our targets have not been validated by a third party	30
(b)	The entity's processes for reviewing the target	Overview of the Group and Value Chain (Strategy and Sustainability Related Goals)	
(c)	The metrics used to monitor progress towards reaching the target	Metrics and Targets	
(d)	Any revisions to the target and an explanation for those revisions	There were no revisions to targets.	
35)	An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.	Metrics and targets; Please refer to Online MFCB's Sustainability Report 2025	
36)	For each greenhouse gas emissions target disclosed, an entity shall disclose:		
(a)	Which greenhouse gases are covered by the target.	Please refer to Online MFCB's Sustainability Report 2025	
(b)	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.		
(c)	Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target		
(d)	Whether the target was derived using a sectoral decarbonisation approach.		
(e)	The entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits the entity shall disclose information including, and with reference to paragraphs B70–B71:		
i)	The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits	Not yet available	
ii)	Which third-party scheme(s) will verify or certify the carbon credits	Not yet available	
iii)	The type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal	Not yet available	
iv)	Any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use (for example, assumptions regarding the permanence of the carbon offset)	Not yet available	

HOW WE GOVERN

PROFILE OF DIRECTORS

GOH NAN KIOH EXECUTIVE CHAIRMAN



AGED 73

Board Committees Membership(s): Nil
Board Meeting Attendance in 2025: 4/5

Mr Goh Nan Kioh joined the Board on 1 February 2003 as a Non-Independent Non-Executive Director. He was appointed as Chairman of the Board on 29 July 2003 and as Executive Chairman on 1 July 2011. Mr Goh holds a Bachelor of Economics (Honours) degree from the University of Malaya. He has wide and varied business investments in many countries.

Mr Goh is the father of Ms Goh Mei Sze, and the uncle of Mr Chu Beng Han.

TAY KHENG CHIONG NON-INDEPENDENT & NON-EXECUTIVE DEPUTY CHAIRMAN



AGED 62

Board Committees Membership(s):
Remuneration Committee
Board Meeting Attendance in 2025: 5/5

Mr Tay Kheng Chiong joined the Board as a Non-Independent Non-Executive Director on 1 June 2006. Mr Tay was redesignated as Non-Independent Non-Executive Deputy Chairman on 26 February 2021. He holds a Bachelor of Engineering (Honours) degree majoring in Electrical and Electronics from the University of Sunderland, England. He also holds a Master of Business Administration degree from the University of Strathclyde, Scotland and is a Chartered Engineer with The Institution of Engineering and Technology, United Kingdom. In April 2023, he was awarded a Doctorate in Engineering from European International University, Paris. Mr Tay has more than 33 years' experience in the semiconductor industry. He joined a multinational semiconductor company upon graduation in 1989 as Development Engineer and was promoted to Director of Manufacturing in 1999. During 2001 to 2005, he was the Managing Director of Dominant Opto Technologies Sdn Bhd.

Mr Tay is presently the Group Managing Director of D&O Green Technologies Berhad (D&O) which is listed on Bursa Malaysia. He is deemed to be interested in certain transactions between Mega First Corporation Berhad (MFCB) Group and D&O Group by virtue of his common directorships.

GOH MEI SZE EXECUTIVE DIRECTOR



AGED 38

Board Committees Membership(s): Nil
Board Meeting Attendance in 2025: 5/5

Ms Goh Mei Sze joined the Board on 16 November 2020 as Executive Director. She holds a Bachelor of Commerce degree from University of Melbourne, Australia. Ms Goh Mei Sze started her career in Ernst & Young from 2010 to 2012 in Audit and Assurance. She joined MFCB in 2013 as the Personal Assistant to the Executive Chairman.

She is a daughter of Mr Goh Nan Kioh.

KHOO TENG KEAT EXECUTIVE DIRECTOR



AGED 56

Board Committees Membership(s): Nil
Board Meeting Attendance in 2025: 5/5

Mr Khoo Teng Keat joined the Board on 6 September 2011 as Executive Director. He holds a Bachelor of Commerce (Actuarial Science) honours degree from University of Melbourne, Australia. Prior to joining the Company, Mr Khoo has more than 14 years' experience as an equity analyst and has held senior positions with several reputable international investment banks.

YEOW SEE YUEN NON-INDEPENDENT & NON-EXECUTIVE DIRECTOR



AGED 59

Board Committees Membership(s):
Nominating Committee
Board Meeting Attendance in 2025: 5/5

Mr Yeow See Yuen joined the Board as an Independent Director on 10 May 2006. Mr Yeow was redesignated as Non-Independent Non-Executive Director on 24 May 2023. He holds a first-class honours degree in Accountancy from the National University of Singapore. Mr Yeow started his career in 1991 with Coopers & Lybrand, Singapore Office in the audit division. He left the firm in 1994 to join Deutsche Securities Asia Limited (Deutsche Securities) where he spent 9 years working in the Equity Research Department. During that period, he progressed through a series of positions including Deputy Head of Indonesia Research, Head of Malaysian Research and Head of Consumer Research Asia. Since leaving Deutsche Securities in 2003, he has been actively involved in investment banking related work, including investor relations corporate advisory and research consultancy.

Mr Yeow is also a Director of D&O. He is deemed to be interested in certain transactions between MFCB Group and D&O Group by virtue of his common directorships.

JESPER BJORN MADSEN
SENIOR INDEPENDENT
DIRECTOR



AGED 72

Board Committees Membership(s):
Remuneration Committee (Chairman)
and Audit Committee

Board Meeting Attendance in 2025: 5/5

Mr Jesper Bjorn Madsen joined the Board as an Independent Director on 30 November 2016 and appointed as Senior Independent Director on 5 February 2024. He holds a Master degree in Law from Copenhagen University, Denmark and later studied Scottish/English Law at the University of Edinburgh, Scotland. Mr Madsen has worked in the legal field for 4 years before joining Carlsberg A/S Group in 1984 and retired in 2009. During his 25 years working for Carlsberg A/S Group, he has held positions as Vice-President responsible for overseas investments and markets, General Manager and Managing Director of Carlsberg Brewery Hong Kong Ltd, Chief Operating Officer of Carlsberg Asia Pte Ltd, Senior Vice-President of Carlsberg Breweries A/S with responsibility for Asia, among other markets. He was also a non-executive Chairman or Vice-Chairman in a number of Carlsberg's subsidiaries in Asia.

Mr Madsen is also a Director of D&O. Mr Madsen is deemed to be interested in certain transactions between MFCB Group and D&O Group by virtue of his common directorships.

**DATO' SETIA PROF DR
TAN HUI MENG**
INDEPENDENT DIRECTOR



AGED 71

Board Committees Membership(s): Nil
Board Meeting Attendance in 2025: 5/5

Dato' Setia Prof Dr Tan Hui Meng joined the Board on 20 March 2017. Dato' Setia Prof Dr Tan is a Consultant Urologist at a leading private medical centre in Malaysia. Additionally, he holds the position of Adjunct Professor at the University of Pennsylvania. His expertise spans urological cancers, stone disease, endourology, men's health, and aging issues.

In his prolific career, Dato' Setia Prof Dr Tan has pioneered many urological services in Malaysia, including ESWL, endourology, prosthesis surgeries, and advanced prostate cancer diagnosis and treatment such as focal therapy. He has a keen interest in men's health and an expert in men's health and aging issues. He has published 249 articles and abstracts in international peer-reviewed medical journals. Moreover, he has authored 16 books on men's health and sexual medicine. He proudly serves as the Founding President of several international men's health and aging societies, including APSSAM and JASMH. Dato' Setia Prof Dr Tan's influence extends globally, as he is a Board Member of the International Society for Men's Health and a consultant panelist for the WHO-sponsored Consultation in Sexual Medicine and Urological Disease (ICUD). His active memberships include the American Urological Association, European Association of Urology, Asian Urological Association, and the Asia Pacific Society for Men's Health and Aging. Recognising his exceptional contributions, Dato' Setia Prof Dr Tan has received the Extraordinary Urologist Award from the AUA-affiliated WCUA. He has also been honoured with the Outstanding Award in the field of Men's Health by the Singapore Society for Men's Health.

**DATIN JEYANTHINI A/P M.
KANNAPERAN**
INDEPENDENT DIRECTOR



AGED 65

Board Committees Membership(s):
Nominating Committee (Chairman)
and Remuneration Committee
Board Meeting Attendance in 2025: 4/5

Datin Jeyanthini a/p M. Kannaperan joined the Board on 4 August 2020. Datin Jeyanthini who holds an LLB degree from the University of London was called to the Bar of England and Wales before returning home to Malaysia and pupillage in Shearn Delamore. Datin Jeyanthini practiced for 38 years with Shearn Delamore & Co, having been a partner since 1997 and headed the Litigation Practice in the firm for many years. She has retired from the firm with effect from 1 January 2024 and is now a consultant with Messrs Rajasekaran, a boutique law firm here in Kuala Lumpur.

She has had a busy litigation practice and appeared regularly at hearings, trial and appeals at the High Court and the Appellate Courts. Datin Jeyanthini's principal areas of practice are in banking and finance, restructuring and insolvency, regulatory and compliance, land, commercial and corporate, landlord and tenancy disputes. She had acted in a number of important cases that have been reported in the law journals often as lead counsel in the many court appearances at the High Court and Appellate Courts.

Her years in practice are testament to her rich experience in the area of banking (including Islamic or Syariah banking and finance) trade finance and insolvency; enforcement of loan, security instruments and instruments of payments; receiverships; foreclosures; as well as liquidation, restructuring, rescue mechanisms and schemes of arrangement and in the area of commercial and corporate disputes.

AU SIEW LOON
INDEPENDENT DIRECTOR



AGED 65

Board Committees Membership(s):
Audit Committee (Chairman)

Board Meeting Attendance in 2025: 5/5

Mr Au Siew Loon joined the Board on 1 January 2023. Mr Au commenced his articleship with Ernst and Young, Malaysia in 1981 and qualified as a Chartered Accountant in 1985. He is a member of The Malaysian Institute of Certified Public Accountants and a member of The Malaysian Institute of Accountants. He was seconded to Ernst and Young, London in 1986 for a period of 18 months. He left the profession in 1989. He was the Chief Financial Officer of Hap Seng Consolidated Berhad (HSCB) since 3 September 2012 before his retirement from the position on 31 May 2022.

Prior to him joining the HSCB group of companies, he had held various senior management positions in companies involved in the financial services, insurance and food and beverage industries. He spent more than two decades in QSR Brands Sdn Bhd, a large fast-food operator and food processor/manufacturer, and had held various senior positions in the areas of internal audit, finance, upstream and downstream operations of the group.

Mr Au is also a Director of D&O. He is deemed to be interested in certain transactions between MFCB Group and D&O Group by virtue of his common directorships.

LUI SOEK KUEN
INDEPENDENT DIRECTOR



AGED 54

Board Committees Membership(s):
Audit Committee and
Nominating Committee

Board Meeting Attendance in 2025: 5/5

Ms Lui Soek Kuen joined the Board on 1 September 2023. Ms Lui holds a Bachelor (Hon) Accounting & Finance from the London School of Economics. She is a member of Malaysian Institute of Accountants and Institute of Chartered Accountants in England and Wales.

Ms Lui commenced her articleship with Simmons Gainford (London) in 1995 before joining PricewaterhouseCoopers in 1999. She was the Financial Controller/Chief Financial Officer of Cambrew Limited, the first and one of the largest brewers in the Kingdom of Cambodia, from 2002 till 2018. Prior to joining Cambrew Limited, she was attached to Astro Malaysia Holdings as Internal Auditor and Colgate Palmolive Malaysia as Brand Analyst.

Ms Lui is also a Director of D&O. She is deemed to be interested in certain transactions between MFCB Group and D&O Group by virtue of her common directorships.

Note: Save as disclosed above, none of the Directors has any family relationship with any Director and/or major shareholder of the Company, has conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries and has been convicted for any offence within the past 5 years.

PROFILE OF KEY SENIOR MANAGEMENT

CHU BENG HAN

HEAD, RESOURCES DIVISION
AND PACKAGING DIVISION



AGED 61

Mr Chu Beng Han is the Head of the Resources Division and Packaging Division. He joined Rock Chemical Industries (Malaysia) Berhad on 1 July 2004 as Group Operations Manager and later promoted as Executive Director on 26 November 2004. He was re-designated as Head of the Resources Division in March 2012. In July 2025, he was re-designated as Head of the Resources Division and Packaging Division.

Mr Chu Beng Han obtained a Bachelor of Engineering (Civil) degree from National University of Singapore. Prior to joining the Group, he has over 8 years of working experience in an international building and structural forensic consultancy firm and another 7 years in a senior management position in a public listed company involved in cement and ready-mixed concrete business.

He is the nephew of Mr Goh Nan Kioh.

IR. YEONG CHEE MENG

HEAD, DON SAHONG
HYDROPOWER PROJECT



AGED 73

Mr Yeong Chee Meng is the Head of the Don Sahong Hydropower Project. He joined the Company in April 2008 as Project Director for the Don Sahong Hydropower Project in Lao PDR. He is responsible for managing the development of the Don Sahong Hydropower Project, organising all investigative works, formulating all works contracts, supervising consultants and contractors, and control and manage project schedule and cost to ensure all project milestones and targets such as land acquisition, environmental approval, construction schedule and cost, testing and commissioning, and commercial operation, are met.

Mr Yeong Chee Meng obtained a Bachelor of Engineering (Civil) honours degree from University of Malaya. He also holds a Master of Applied Science degree in Project Management from University of South Australia. Upon graduation in 1978, he spent 16 years with the Public Works Department of Malaysia (PWD). During that period, he progressed through a series of positions including District Engineer – Sabak Bernam, Selangor, Assistant Director (Roads) – Penang State, Deputy Director – Negeri Sembilan State and Head of Computer/IT Centre – Kuala Lumpur Headquarters. Over the next 14 years, his career progressed to several senior management positions such as General Manager (Construction) with KL International Airport Berhad, Managing Director of Sarawak Hidro Sdn Bhd, Project Director for Alfaisal University in Saudi Arabia and Senior General Manager (Non-Revenue Water Division) with SYABAS.

YEO SEE HUEY

MANAGING DIRECTOR,
HEXACHASE GROUP



AGED 59

Mr Yeo See Huey joined Hexachase Group on 1996 as Managing Director. He is in charge of the overall management, operations and future development plans of the Hexachase Group. He has more than 30 years experiences and technology knowledge in packaging, flexo and gravure printing. He successfully diversified and expanded the Hexachase Group's business into three packaging divisions. He established labels & sticker division (Hexachase Labels Sdn Bhd) in 1996; paper bag division (Hexachase Packaging Sdn Bhd) in 2002 and flexible packaging (Hexachase Flexipack Sdn Bhd) in 2014.

Mr Yeo holds a Diploma in Business Administration from Malaysian Institute of Management.

He started his career as Marketing Manager at Teck Wah Paper Sdn Bhd, a company listed in the Singapore Stock Exchange.

DATO' WONG KOK HWA
MANAGING DIRECTOR, STENTA
FILMS (MALAYSIA) SDN BHD



AGED 64

Dato' Wong Kok Hwa is a Fellow Member of The Chartered Institute of Management Accountants, UK (FCMA), a Chartered Global Management Accountant (CGMA) and a Chartered Accountant of The Malaysian Institute of Accountants, CA(M).

Dato' Wong started his career as an auditor with an international accounting firm and subsequently as a Finance and Administration Manager in a major subsidiary of a public limited company listed on Bursa Malaysia before joining Stenta Group in 1992 as an Accountant. Throughout his tenure in Stenta Group, he assumed responsibilities in the areas of management, finance, supply chain, commercial and corporate services. He assumed his current position as Managing Director since 2015.

NEO HONG CHEE
FINANCIAL CONTROLLER,
MEGA FIRST CORPORATION
BERHAD



AGED 53

Mr Neo Hong Chee is the Financial Controller of the Company. He joined the Company in October 2007 and is responsible for the finance and treasury function within the Group.

Mr Neo began his career in Horwath Mok & Poon in the audit and assurance department, before moving on to a multinational corporation, where he held various roles including finance manager and international business development manager. He also has experience in cross-border joint venture, project management and HR processes. He has obtained a pass in the Certificate Stage examinations of the Association of Chartered Certified Accountants.

Note: Save as disclosed above, none of the key senior management has any family relationship with any Director and/or major shareholder of the Company, has directorship in public companies and listed issuers, has conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries and has been convicted for any offence within the past 5 years.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is committed to ensuring that good corporate governance practices are applied throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and to improve its financial performance. This overview statement provides an overview of the Group's practices and applications of the Recommended Practices under the Malaysian Code on Corporate Governance (MCCG), throughout the financial year ended 31 December 2025 (FY2025).

The details on how the Company has applied each Practice set out in the MCCG during FY2025 are disclosed in the Corporate Governance Report 2025 (CG Report), which is available on the Company's website. This overview statement is to be read together with the CG Report.

The Board considers that the Group has complied substantially with the principles and guidance as stipulated in the MCCG throughout FY2025. In areas where the Group departs from the recommended practices of MCCG, the Board will endeavour to make improvements moving forward to comply with these practices.

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board takes full responsibility for the oversight and overall performance of the Company and of the Group. In discharging its functions and responsibilities, the Board is guided by the Board Charter, which outlines the duties and responsibilities of and matters reserved for the Board. Prior approval from the Board is required for material capital expenditure, projects, acquisitions or divestitures. Additionally, the Directors are expected to act in a professional manner and to observe high ethical business standards, honesty and integrity at all times and thereby protect and promote the reputation and performance of the Company.

In order to discharge their duties and responsibilities effectively, all directors have unrestricted access to senior management personnel and the Company Secretary. Further details regarding Board meetings' agenda and Board papers containing information for deliberation at the Board meetings are furnished on a timely manner to the Board to accord sufficient time for the Directors to review the Board papers. The Board is also informed of the decision and significant issues deliberated by the Board Committees via the reporting of the Chairman of the respective Board Committees.

Board Committees, namely Audit Committee (AC), Remuneration Committee (RC), and Nominating Committee (NC) have also been established by the Board to assist them in the discharge of its stewardship role. All the committees have written terms of reference and, where applicable, comply with the recommendations of the MCCG. These Board Committees examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The Board receives reports of the Committees' proceedings and deliberations. The ultimate responsibility for decision making, however, lies with the Board.

The Board has adopted the Board Charter since 2014. The Board reviews and updates the Board Charter periodically. The Company also adopts the Employee Code of Conduct and Disciplines which set out the standard of conduct and culture required for all employees of the Group. The Group has also established a Whistleblowing Policy & Procedure. All documents are available at the Company's website.

The Executive Chairman essentially functions as Chief Executive Officer and Chairman of the Board. He leads the Board by setting the tone at the top, and ensures that appropriate discussion takes place and relevant opinions among Board members are forthcoming. In addition, the Chairman chairs all shareholder meetings and ensures orderly conduct of these proceedings and adequate opportunity is given for shareholder engagement on the business of these meetings. The Executive Chairman also oversees the business affairs of the Group and is responsible for leading the Management in the execution of policies and strategies approved by the Board. The fact that the Executive Chairman is also the single largest shareholder, there is the advantage of shareholder leadership and a natural alignment of interests. He has shown tremendous commitment and had played an integral role in the stewardship of the Group.

The Executive Chairman is assisted by the Non-Independent Non-Executive Deputy Chairman and Executive Directors in ensuring the smooth and effective running of the Group. The Executive Directors are assisted by the head of each division in implementing and running the Group's day-to-day business activities. The head of division with their "hands-on" knowledge and expertise in operational issues is responsible for formulating strategic plans to accommodate changes swiftly. In addition, the Senior Independent Director also acts as a sounding board for the Executive Chairman, as an intermediary for other directors when necessary and as the point of contact for shareholders and other stakeholders.

The Board also ensure there is no conflict of interest or potential conflict of interest issues relating to a Director to be in line with the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia). As and when a potential conflict of interest arises, the Directors concerned are required to declare their interest and abstain from the decision-making process.

The Board is comfortable that there is no undue risk of potential conflict of interest as all related party transactions are disclosed and strictly dealt with in accordance with MMLR. In addition, the Independent Directors who constitute half of the Board, provides for effective oversight over management and ensures that there is independence of judgement.

GOVERNING SUSTAINABILITY

In the course of pursuing the vision and mission of the Group, the Board acknowledges that practices which support corporate responsibility are keys to the sustainability of the Group. The Board has overall oversight and decision-making responsibility with regards to all sustainability-related matters, including climate risks and opportunities. The Sustainability Executive Committee, which comprises Executive Directors and managing directors of the various divisions, provide overall directions to the Group and reports to the Board. Ms Goh Mei Sze, the Executive Director holds specific responsibility for oversight of climate change matters and regularly engages with MFCB Senior Management to ensure that relevant initiatives are implemented to manage any potential climate risks and opportunities. The AC provides an oversight of risk management, including sustainability and climate-related risks and reports to the Board.

The Group has established a Sustainability Policy which provides guiding principles on how the culture of sustainability should be promoted across the Group. The Sustainability Policy complements the Group's approach to sustainability by expanding on the key focus areas of MFCB's sustainability strategy. The Sustainability Policy is available at the Company's website.

Please refer to the ISSB Sustainability Statement embedded in this IAR and Sustainability Report which can be found on the Company's website for more details.

II. BOARD COMPOSITION

During the financial year ended 31 December 2025, the Board, led by an experienced Executive Chairman is made up of ten (10) members of whom two (2) are Executive Directors, five (5) are Independent Directors and two (2) Non-Independent Non-Executive Directors. Independent Directors form half of the Board to ensure that minority shareholders' interests are adequately represented.

INDEPENDENT DIRECTORS

The MCCG recommends the tenure of an independent director does not exceed a term of nine (9) years. If the Board intends to retain an independent director beyond nine (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process. The Company has complied with the aforesaid MCCG recommendation.

Mr Jesper Bjorn Madsen has served the Board for a cumulative period of more than nine (9) years. The NC has assessed his independence and is satisfied that he remains unbiased, objective and independent in expressing his opinions and in participating in the decision making of the Board. He possesses tremendous insights and in-depth knowledge of the Company's business and affairs. The length of his service on the Board has not in any way interfered with his objective and independent judgment in carrying out his role as a member of the Board and relevant Committees. With his skills and vast experience in business and management, he would be able to contribute positively during deliberations or discussions of the Board and Board Committees. He has also devoted sufficient attention to his responsibilities as Independent Director and in carrying out his duty in the best interest of the Company and its shareholders.

On the recommendation of the NC, the Board had in March 2026 approved to seek shareholders' approval via a two-tier voting process to retain Mr Jesper Bjorn Madsen as Independent Director of the Company at the forthcoming Annual General Meeting (AGM).

Being a large company, the MCCG recommends that the Board should consist of majority independent directors. The Board recognises that MFCB did not fully adhered to this recommendation during the financial year ended 31 December 2025. Nevertheless, the Independent Directors, constituting half of the Board, played a crucial role in furnishing effective oversight of management activities and upholding independence of judgment.

DIVERSITY

The Board recognises the advantages of maintaining a diverse Board in terms of background, knowledge, experience, expertise, skills, ethnicity, age, and gender. The Board Composition Policy, which is available on the Company's website, provides that diversity in terms of skills, background, knowledge, international and industry experience, culture, independence, age and gender, among many other factors, will be taken into consideration when seeking to appoint a new Director to the Board so as to bring relevant perspectives to Board discussions. The composition of the Board consists of individuals with a wide range of experience, industry knowledge and skills. The Board also comprises individuals of different age group, ethnicity and gender.

The Board currently comprises three (3) women directors, namely Datin Jeyanthini a/p M. Kannaperan, Ms Lui Soek Kuen and Ms Goh Mei Sze, representing 30% of the Board.

In respect of the year ended 31 December 2025, the Board, is of its opinion that its current composition and size is adequate and provide for sufficient diversity taking into account the scope and nature of the Group's operations.

DIRECTORS' TRAINING

The Directors are mindful that they should receive appropriate continuous training in order to broaden their perspectives and to keep abreast with new developments for the furtherance of their duties. Each Director also evaluates his/her own training needs on a continuous basis that would best enable them to enhance their knowledge and contributions to the Board. The Board, through the Nominating Committee, oversees the training needs of its Directors. The Company Secretary compiles training programmes including in-house trainings, which are available to the Directors for their selection and participation.

The Directors are encouraged to visit the Group's operating centres to have an insight into the Group's various operations which would assist the Board to make effective decisions relating to the Group.

The programmes that were attended by the Directors during the year under review includes the following:-

NAME	PROGRAMMES
Goh Nan Kioh	Integrated Reporting (IIRC) Training
Goh Mei Sze	Integrated Reporting (IIRC) Training
Khoo Teng Keat	Integrated Reporting (IIRC) Training
Tay Kheng Chiong	- Integrated Reporting (IIRC) Training - Updates on MMLR November 2024 (New Issues of Securities) December 2024 (Sustainability Reporting) February 2025 (Equity Guidelines)
Yeow See Yuen	- Integrated Reporting (IIRC) Training - Updates on MMLR November 2024 (New Issues of Securities) December 2024 (Sustainability Reporting) February 2025 (Equity Guidelines)
Jesper Bjorn Madsen	Integrated Reporting (IIRC) Training
Dato' Setia Prof. Dr. Tan Hui Meng	Integrated Reporting (IIRC) Training
Datin Jeyanthini a/p M. Kannaperan	Integrated Reporting (IIRC) Training
Au Siew Loon	- Integrated Reporting (IIRC) Training - Everything About Dividend - Audit Committee Conference 2025 - Webinar on Tariffs, Contracts & Risk: What Every Malaysian Exporter & Supplier Must Know Now - Updates on MMLR November 2024 (New Issues of Securities) December 2024 (Sustainability Reporting) February 2025 (Equity Guidelines) - Related Party Transaction Simplified
Lui Soek Kuen	- Integrated Reporting (IIRC) Training - Audit Committee Conference 2025 - Updates on MMLR November 2024 (New Issues of Securities) December 2024 (Sustainability Reporting) February 2025 (Equity Guidelines)

BOARD AND BOARD COMMITTEES MEETINGS

The dates for Board and Board Committees meetings for the financial year are scheduled in advance before the end of each financial year to facilitate the Directors' time management. Prior to the Board meetings, all Directors will receive the agenda and a set of Board papers containing information for deliberation at the Board meetings. Minutes of each Board meeting are circulated to all Directors prior to the confirmation of the minutes to be done at the commencement of the following Board meeting. The Directors may request for clarification or raise comments before the minutes are confirmed as a correct record of the proceedings of the meeting.

During the year under review, five Board meetings, five (5) AC meetings, one (1) NC meeting and one (1) RC meeting were held. The attendance record of each Director is as follows:-

TYPE OF MEETING	BOARD	AC	NC	RC
Total meetings in 2025	5	5	1	1
Goh Nan Kioh (Chairman)	4			
Tay Kheng Chiong	5			1
Goh Mei Sze	5			
Khoo Teng Keat	5			
Yeow See Yuen	5		1	
Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir, JP (resigned on 12 November 2025)	3			
Jesper Bjorn Madsen	5	3		1
Dato' Setia Prof Dr. Tan Hui Meng	5			
Datin Jeyanthini a/p M. Kannaperan	4		1	1

TYPE OF MEETING	BOARD	AC	NC	RC
Au Siew Loon	5	5		
Lui Soek Kuen	5	5	1	

NOMINATING COMMITTEE

The NC consists wholly of Non-Executive Directors and is chaired by an Independent Director. The composition of the NC is set out in the Corporate Information section of this IAR.

The NC's role includes assessing and recommending candidature of directors, succession plans and training programs, boardroom diversity, board composition, annual assessment of directors, Board and Board Committees. The NC meets as and when required, but at least once a year.

Directors' Fit and Proper Policy sets out the approach, guidelines and procedures to ensure that a formal, rigorous and transparent process is adhered to for the appointment, re-appointment and/or re-election of the Directors of the Group upon recommended by the NC. The said policy is available on the Company's website.

Board Effectiveness Evaluation (BEE) are conducted annually to identify opportunities for increasing efficiency, maximise strengths and to highlight areas for improvement. Professional consultants are engaged to conduct the assessment once every three years.

In FY2025, the BEE was conducted by Securities Services (Holdings) Sdn Bhd. Sets of online questionnaires which consisted of evaluations by the Board, Board Committees, self and peer assessment as well as independent directors' assessment were developed to maximise the effectiveness and performance of the Board in the best interests of the Group. The areas covered were as follows:

EVALUATION	ASSESSMENT CRITERIA
Board of Directors	Board mix and composition, quality of information and decision making, boardroom activities, strategy governance and monitoring role, Board's relationship with the Management and Environmental, Social and Governance (ESG)/Sustainability.
Board Committee	Board Committees' composition, boardroom activities and key responsibilities.
Individual Director	Individual Directors' fit and proper, contribution and performance, and caliber and personality.

The results were presented to the NC and the Board in March 2026 for deliberation. Upon review, the Board is satisfied with the performance of the Board, Board Committees and individual Directors and noted the areas that required improvements. The results were used as a basis for recommending the relevant Directors for re-election at the upcoming AGM and such practice is in line with the Directors' Fit and Proper Policy adopted by the Company.

The activities undertaken by the NC in FY2025 were summarised below:

- reviewed and assessed the skills mix, independence, expertise, composition, size diversity and experience to meet the needs of the Board.
- discussed and reviewed the results of BEE.
- reviewed and recommended Directors who are retiring and being eligible for re-election, based on the results of BEE and Fit and Proper Policy.
- reviewed and assessed the independence of an Independent Director whose tenure has exceeded nine (9) years.

III. REMUNERATION

The RC is responsible for implementing the Remuneration Policy and Procedure by reviewing and recommending matters relating to remuneration of Board and Senior Management. It is designed to ensure the transparency in determining the levels and components of remuneration package which continues to retain and motivate dedicated directors and senior management.

RC reviews annually and the Board approves the remuneration for Executive Directors and senior management staff. The remuneration of the Executive Directors and senior management staff are structured so as to link rewards to corporate and individual performance.

The remuneration for Non-Executive Directors is by way of fixed annual fees, based on recommendations of the Remuneration Committee and approval by the Board and shareholders at annual general meeting. The level of remuneration reflects level of responsibilities undertaken by the particular Non-Executive Director concerned. The meeting allowance for Non-Executive Directors is based on their attendance for Board, Board Committee or general meeting. They are also reimbursed reasonable expenses incurred by them in the course of carrying out their duties on behalf of the Company. The Directors concerned do not participate in the deliberation and decision in respect of his individual remuneration.

The Terms of Reference of RC and Remuneration Policy and Procedure for Directors and Senior Management are available on the Company's website.

PRINCIPLE B

EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The AC comprises three (3) Independent Non-Executive Directors and is chaired by Mr Au Siew Loon.

The AC plays an active role in helping the Board discharge its governance responsibilities. The AC works within the purview of the terms of reference. The AC reviews issues of accounting policy and presentation for external financial reporting, monitors the internal audit function and ensures an objective and professional relationship is maintained with the external auditors. Its principal function is to assist the Board in maintaining a sound system of internal controls and governance.

The AC member has full access to the auditors, both internal and external, who in turn have access at all times to the Chairman of the AC. The Report of the AC, including its composition, duties and activities, is presented in the Audit Committee Report section of this IAR.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board acknowledges its overall responsibility for maintaining the system of risk management and internal controls to safeguard shareholders' investment and the Company's assets. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Group's objectives and activities are aligned with those risks and opportunities. The business unit head identifies and communicates with the Executive Directors of the Company the critical business risks and the management action plan to manage the risks. Such approaches are to mitigate and manage rather than eliminate risks and provide only reasonable assurance against misstatement or loss.

The Board is assisted by the AC to review and evaluate the adequacy and effectiveness of the internal control system through deliberation of Internal Audit Reports. A Risk Assessment Team was established to oversee the risk management activities of the Group, oversees the effective communication and implementation of the Group's risk tolerance and other related issues.

The details of the Risk Management and Internal Control Framework is disclosed in the Statement on Risk Management and Internal Control of this IAR.

PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. ENGAGEMENT WITH STAKEHOLDERS

The Board acknowledges the need for shareholders and stakeholders to be informed of all material business matters affecting the Company. They are kept well informed of developments and performances of the Company through regular investors' briefings, including quarterly results briefings, timely announcements and disclosures made to Bursa Malaysia, including the release of financial results on a quarterly basis, press coverage and research reports published by security houses. The Company's annual report which contains all the necessary disclosures in addition to facts and figures about the Group and the Company is released within four months after the financial year end. In addition, efforts have been made to ensure that the report is user friendly so that shareholders have a good understanding about the Company and its operations. All announcements and disclosures made to Bursa Malaysia, including the annual report and investors' briefings presentation slides, are also accessible from the Company's website.

II. CONDUCT OF GENERAL MEETINGS

AGM is an important forum for communicating with the Shareholders. Members of the Board, the Financial Controller and external auditors were present to answer questions raised at the 59th AGM held on 21 May 2025. The Chairman presented the overall performance and progress of business activities of the Group. Shareholders were able to participate and provided with opportunity to raise queries in relation to the Company's business activities and all queries were answered by the Directors appropriately.

The voting of all resolutions at the AGM was conducted through e-polling system to facilitate good participation of shareholders. The Board endeavours to comply with the good practice in the upcoming AGM and other future General Meetings of the Company.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

The Board is pleased to present the following Statement on Risk Management and Internal Control, outlining the key features of the Group's risk management framework and internal control system. This framework is integrated into business processes and activities to help the Group meet its business objectives while safeguarding shareholders' investments and the Group's assets. It is dynamic and will be amended as needed to accommodate ongoing changes in business and regulatory requirements.

The Statement is prepared pursuant to Chapter 15, Corporate Governance – Paragraph 15.26 (b) and Practice Note 9 of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia). It also aligns with Principle B – Chapter II of the Malaysian Code on Corporate Governance 2021 and is guided by Bursa Malaysia's Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers.

RESPONSIBILITIES AND ACCOUNTABILITIES

AT BOARD LEVEL

The Board acknowledges its overall responsibility for establishing a sound system of risk management and internal control. This system covers financial, operational, environmental, and compliance controls and includes regular reviews of its adequacy and effectiveness.

The Group has an established Internal Audit Department that reports to the AC. The AC is responsible for regularly reviewing risk management practices and internal control processes to provide the Board with independent and objective assurance that the system is adequate and effective in addressing identified risks. The Board recognises that such a system is designed to manage, rather than to eliminate, the risk of failure to achieve business objectives. It can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board confirms the existence of an ongoing process for identifying, evaluating, and managing significant risks faced by the Group during the financial year under review. This process has been in place throughout the financial year and up to the date of approval of the Annual Report. This process is an integral part of the Group's risk management and internal control system.

AT MANAGEMENT LEVEL

Management is accountable to the Board for risk management and internal control and has implemented processes to identify, evaluate, manage, and report risks and controls.

Business plans and strategies are formulated by the Executive Directors and presented to the Board for review to ensure that the proposed plans and strategies align with the Group's risk appetite. In day-to-day operations, the respective Head of Division/Business Unit is responsible for managing the risk of their division/business unit. Changes in key business risks faced by the Group, the emergence of new business risks, and the corresponding internal controls to mitigate these risks are discussed during management meetings.

RISK MANAGEMENT FRAMEWORK

The Group recognises that an embedded risk management framework within its operations is an integral part of good corporate governance, as it enhances accountability, provides insights, and improves decision-making and outcomes.

The Framework, which is benchmarked against the International Organisation for Standardisation (Risk Management – Guidelines), sets out a structured process to continuously identify, evaluate, respond to, and monitor the risks that might affect the Group's business objectives. It adopts both a "top-down strategic" and a "bottom-up operational" approach and spans the entire organisation to address all areas of significant risk for the Group. Through this structure, material risks are consolidated from the operational level to Management, escalated to the Risk Assessment Team (RAT), and finally to the Board.

The Group defines risk as any event that may impact its business objectives. It is measured in terms of likelihood and consequences. Business risks arise as much from the likelihood of lost opportunities as from uncertainties and hazards.

The risk management framework starts with understanding strategic objectives to ensure that key risks are identified.

RISK PROFILE

The Group's risk profile is updated and reported annually or as needed. The senior manager overseeing the risk management function has conducted risk assessment interviews with the chief executives and managers of the respective divisions/business units as part of the assessment of strategic risks affecting the Group.

The RAT, headed by an Executive Director, has been established to oversee the Group's risk management activities. It also oversees the effective communication and implementation of the Group's risk tolerance and other related matters.

A summarised annual update on key changes to the risk profile is presented to the AC to facilitate timely assessment. Any major risk changes, along with appropriate actions or strategies, will be brought to the Board's attention by the Chairman of the AC.

RISK MANAGEMENT PROCESS

The key aspects of the risk management process are as follows:

(a) Identify Risk

Risks are primarily identified and assessed by segments, functions, and countries. Risk identification involves examining all sources of potential risk and considering the perceptions of all stakeholders, both internal and external, that may impact the achievement of business objectives. All identified risks are documented in Key Risk Records after assessing their likelihood, causes, and potential implications, along with proposed treatment measures and ongoing monitoring.

(b) Analyse Risk

The identified risks are analysed to assess their risk levels, which depend on the relationship between their likelihood and the consequences. These factors are evaluated by considering the adequacy and enforcement of existing controls. The Group uses a five-level scale for probability and a set of scales to measure different aspects of the impact. Risks are then scored in a qualitative risk matrix.

Risks are categorised into four levels: low, moderate, high, and extreme.

LIKELIHOOD	CONSEQUENCE				
	INSIGNIFICANT	MINOR	MODERATE	MAJOR	EXTREME
Rare	Low	Low	Moderate	Moderate	High
Unlikely	Low	Moderate	Moderate	High	High
Possible	Moderate	Moderate	High	High	Extreme
Likely	Moderate	High	High	Extreme	Extreme
Almost Certain	High	High	Extreme	Extreme	Extreme

RISK LEVEL	ACTION TO BE TAKEN
Low	Managed through routine procedures and low-level delegations, with minimal need for specific resource allocation.
Moderate	Managed through specific monitoring or response procedures within line management delegations.
High	Executive management is accountable, with senior management responsible for oversight and response.
Extreme	Immediate action must be taken to reduce the risk. If immediate reduction is not possible, the matter must be escalated to the Executive Chairman.

This framework is designed to respond to changes in the business environment and is communicated through the Group's existing reporting structures and processes.

(c) Evaluate Risk

The evaluation takes into account the degree of control over each identified risk, as well as its cost impact, benefits, and opportunities. The significance of the risk and the importance of the policy, program, process, or activity are considered when determining whether a risk is acceptable or not. Risks classified as "High" or "Extreme" will be given high priority, while risks beyond the Group's control will be closely monitored without a specific action plan.

(d) Treat Risk

Risks are treated in different ways depending on their nature. The objective of risk treatment is to reduce the expected level of an unacceptable risk. Several options are available for treating risks, and these should be considered based on the cost and benefit of implementing the action.

When risks are unavoidable or no suitable treatment plans are available, management accepts them. Other treatment options include avoiding the risk by not engaging in activities that may trigger it, reducing the risk by through preventive or reactive controls, and transferring the risk by outsourcing the activity or purchasing insurance for insurable risks.

(e) Monitor and Review Risk

The review of risk profiles, control procedures, and the status of action plans is carried out on a regular basis by the respective Head of Division/Business Unit. This ensures that appropriate actions are taken to address reported issues in a timely manner or within agreed timelines, while also keeping abreast of changes in the business and operating environment.

The Key Risk Records from the core divisions/business units are reviewed by the RAT, and the status of mitigation plans is communicated to the Board.

RISK MANAGEMENT PROCESS (CONT'D)

Under the Group's Risk Management Framework, sources of risk can be categorised under the following headings, with different strategies to mitigate each:

(a) Strategic and Business Risks

The Group voluntarily accepts some risks in order to generate high expected returns. An essential first step in risk management is ensuring that the Group has a clear vision for its strategic direction. The Group takes on risks through its research and development activities and in-depth discussion at the Board level.

(b) Operational Risks

The management of the Group's day-to-day operational risks is mainly decentralised at the division/business unit level and guided by standard operating procedures. Operational risks that cut across the Group are coordinated centrally.

(c) Financial and Commercial Risks

The Group is exposed to various financial and commercial risks relating to credit, liquidity, interest rates, foreign currency exchange rates and commodity prices. The Group's risk management objectives and policies coupled with the required quantitative and qualitative disclosures relating to these risks are set out in notes to the financial statements.

(d) Governance and Compliance Risks

The Group operates in diverse geographical locations and as such is exposed to compliance risks related to the laws and regulations of the various countries in which the Group operates, and compliance with the various certifications. The responsibility and oversight of compliance is delegated to department heads. They have sufficient subject-specific knowledge and are familiar with the policies, procedures and practices outlined in the manual of standard operating procedures.

(e) Sustainability and Climate-related Risks

The Group acknowledges sustainability-related risks, including climate-related risks, as a potential source of business risk. Management has conducted an initial assessment of sustainability and climate-related matters that may impact the Group's operations and financial position. These risks include, among others, regulatory developments, the transition to a lower-carbon economy and physical climate risks, and are monitored as part of the Group's broader risk management framework.

(f) Corruption Risks

The Group has zero-tolerance for corruption activities and is committed to acting professionally, fairly and with integrity in all business dealings and relationships. Corruption risks are often treated differently from other risks as there is a moral dimension to corruption and great reputational risks involved for the organisation.

INTERNAL CONTROL SYSTEM

The Board and Management have taken various steps to establish a control environment that upholds the integrity and ethical values of the Group, a governance structure that enables the discharge of their respective duties and the assignment of authority and responsibility, as well as processes and procedures to ensure timely reporting to shareholders and other stakeholders.

- (a) The Group takes its ethical and legal responsibilities seriously and is committed to conducting business professionally and honestly, in compliance with all applicable laws in all jurisdictions in which it operates. To reinforce this commitment, the Board has approved the implementation of policies on Anti-Bribery and Corruption, Employees' Code of Conduct and Discipline, and Whistle-Blowing.
- (b) The Group has an organisational structure aligned with its business and operational requirements, with clear and formally defined approval authority and authorisation procedures, which serve as the primary instruments governing and managing the business decision-making process within the Group.

INTERNAL CONTROL SYSTEM (CONT'D)

- (c) Standard Operating Procedures set out the policies, procedures, and practices to be adopted by all companies in the Group. These policies and procedures provide guidance and direction for the proper management and governance of operations and business activities of all divisions/business units.

From time to time, management may identify the need for the Group to develop policies on operational matters. In line with the development of reporting frameworks, such as the Global Reporting Initiative Standards, the Group is expected to be transparent and accountable to its shareholders. The Group has established the following policies and has implemented or will implement measures based on these policies:

- Anti-Money Laundering Policy;
- Biodiversity Policy;
- Board Composition Policy;
- Conflict of Interest Policy;
- Directors' Fit and Proper Policy;
- Diversity and Inclusion Policy;
- Group Sustainability Policy;
- Human Rights Policy;
- Occupational Health and Safety Policy;
- Policy on Nomination & Assessment Process of Board Members;
- Remuneration Policy and Procedures for Directors and Senior Management;
- Responsible Sourcing Policy;
- Waste Management Policy; and
- Water Management Policy.

- (d) An annual budgeting system is in place. The annual budgets, which include business plans and strategies, are presented to and approved by the Board. Monthly results are monitored against budgets and key performance indicators by Management, focusing on variances and important operational issues, with findings discussed with the Head of Division/Business Unit.
- (e) Senior management makes regular visits to operating units whenever appropriate.
- (f) The Group's information technology systems, which capture, compile, analyse, and report relevant data, are in place with continuous development and improvement. These systems enable effective decision-making by providing accurate and timely information. Management and financial reports are generated regularly to facilitate financial and operational reviews of the various divisions/business units by the Board and Management.
- (g) Adequate insurance coverage and physical security measures of major assets are in place to ensure that assets are safeguarded and sufficiently protected against disasters that could result in material losses to the Group.
- (h) The human resource function establishes policies for recruitment, training, and staff appraisal to ensure employee competency. Employees are also adequately trained to carry out their responsibilities.
- (i) On a quarterly basis, the Board reviews and discusses a comprehensive Quarterly Review Report covering the Group's performance. Additionally, the Board deliberates on the appropriateness of key business strategies adopted by the divisions/business units in response to significant shifts in risk profiles. This process ensures that the Board remains well-informed about current issues facing the Group while actively participating in risk management.

INTERNAL CONTROL SYSTEM (CONT'D)

- (j) The internal audit function of the Group is performed in-house by its Internal Audit Department. The Head of Internal Audit reports directly to the AC and has unrestricted access to AC members on all matters. All internal auditors declared to the AC, by signing the annual declarations, that they were independent, objective, and in compliance with the Code of Ethics of The Institute of Internal Auditors Standards (Global) in carrying out their duties for the financial year. The AC is of the view that the internal auditors demonstrated strong values and principles under the Code of Ethics.

The primary role of the Internal Audit Department is to undertake regular and systematic reviews of the risk management processes, as well as assess the adequacy and effectiveness of internal controls and governance practices within the Group. The Internal Audit Department provides independent and reasonable assurance to the Board and Management that internal controls are operating satisfactorily and effectively. The AC is assisted by the Internal Audit Department in discharging its duties and responsibilities.

The Internal Audit Department performed routine audits and reviews on all business segments of the Group in accordance with the approved Audit Planning Memorandum. Audit reports were issued to Management and the Committee with detailed findings, recommendations, and Management's responses to the findings. The Head of Internal Audit attends all meetings of the AC and presents the quarterly work progress report on the status of completion of planned audit assignment, including audit findings, updates on the implementation of corrective actions on past key audit findings, and a review of the quarterly related party transactions, if any.

During the financial year under review, 5 internal audit assignments were completed, covering operating units in Resources, Packaging and other investment-holding entities within the Group. The audit activities encompassed operational and compliance audits to ascertain the adequacy and effectiveness of the system of internal control, as well as to determine the reliability and integrity of financial and operational information.

The Internal Audit Department also assisted the AC in preparing the Report of the AC for inclusion in the Company's Annual Report and reviewed the appropriateness and completeness of the Corporate Governance Overview Statement, Corporate Governance Report, and the Statement on Risk Management and Internal Control with regard to compliance with the Malaysian Code on Corporate Governance, Paragraph 15.15 of the MMLR of Bursa Malaysia, and the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers.

The Internal Audit Department's expenses for the financial year ended 31 December 2025 was RM467,314.

- (k) The Group has been addressing material sustainability matters in alignment with its sustainability framework and business strategies. Sustainability information relating to selected common sustainability matters from our Sustainability Report has been reviewed and verified by the Group's internal auditors.
- (l) The Group's risk management framework and internal control system apply to the Company and its subsidiaries only; joint ventures and associates are excluded. However, the Group's interest is safeguarded through representation on the Boards of these companies, as well as the receipt and review of management accounts and related inquiries. Such representation also provides the Board with the necessary information for timely decision-making regarding the continuity of the Group's investment, based on the performance of these entities.

ASSURANCE TO THE BOARD

The Executive Directors and Financial Controller are responsible for ensuring that the Group's risk management framework and internal control system are assessed and continuously improved through independent and objective evaluations. The Board has received assurance from the Executive Directors and Financial Controller that these processes are adequately established and effectively implemented, and that nothing has come to their attention that may render the financial results presented or the information provided false or misleading in any material respect.

BOARD'S COMMITMENT

The Board is mindful that the development of the Risk Management Framework is an ongoing process, and Management continues to take steps to improve risk management and internal control processes. During the financial year under review, some internal control weaknesses were identified; however, they were not considered significant enough to be mentioned in this Statement, as none had materially impacted the Group's business operations. Nevertheless, remedial actions and corrective measures have been or are being taken to address them.

The Board is of the view that the Group's risk management and internal control system is reasonably adequate in mitigating risks. However, the Board recognises that continuous reviews is necessary to meet the challenges of a dynamic business environment and to safeguard shareholders' interests and the Group's assets. Therefore, the Board remains committed to maintaining an effective risk management and internal control system across the Group and, where necessary, implementing appropriate measures to enhance these systems further.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR of Bursa Malaysia, the external auditors, Crowe Malaysia PLT, have reviewed this Statement on Risk Management and Internal Control for its inclusion in this Annual Report for the financial year ended 31 December 2025.

Their limited assurance review was performed in accordance with the Malaysian Approved Standard on Assurance Engagements ISAE3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, and Audit and Assurance Practice Guide 3 (AAPG 3), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the external auditors to consider whether this Statement covers all risks and controls, nor did they form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system. It also does not require the external auditors to assess whether the processes addressing material internal control aspects of significant problems will effectively remedy them.

Based on their review, nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control set out above was not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers, nor was it factually inaccurate.

AUDIT COMMITTEE REPORT

A. COMPOSITION AND MEETINGS

The AC comprises three (3) members, all of whom satisfy the independence requirements of the Listing Requirements. The composition and attendance of each member at the meetings during the financial year ended 31 December 2025 (the financial year) were as follows:-

NAME OF MEMBERS	POSITION	ATTENDANCE
Au Siew Loon (Chairman of AC)	Independent Director	5/5
Jesper Bjorn Madsen	Independent Director	3/5
Lui Soek Kuen	Independent Director	5/5

The AC held five (5) meetings during the financial year. The Financial Controllers, Executive Director and Head of Internal Audit were invited to attend the meetings to provide clarifications on matters discussed, updates on financial performance, and Group's operations. In addition, the AC had two independent dialogues with the External Auditors, Crowe Malaysia PLT without the presence of management during the financial year, to discuss matters of interest that arose in the course of the audit. No significant matters were highlighted and discussed.

B. TERMS OF REFERENCE

In carrying out its statutory duties and responsibilities, the AC is guided by its Terms of Reference (TOR) which are available on the Company's website.

The performance of the AC and its members were reviewed and assessed by the Board via the Nominating Committee and the Board is satisfied that the AC and its members had discharged their functions, duties and responsibilities in accordance with the AC's TOR.

C. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The AC had carried out these activities in 2025:

1. FINANCIAL STATEMENT AND REPORTING REVIEW

- 1.1 Reviewed and discussed the quarterly management report of the unaudited results of the Group. The financial review included the comparative quarterly and year-to-date results.
- 1.2 Reviewed the adequacy and appropriateness of disclosure in the unaudited quarterly financial statements before recommending to the Board for consideration and approval and release to Bursa Malaysia. When reviewing these financial statements, the AC had obtained reasonable assurance that the condensed interim financial statements were prepared in accordance with the applicable financial reporting standards and obtaining assurance from management and external auditors that it complied with MMLR of Bursa Malaysia.
- 1.3 Reviewed the audited financial statements of the Group and of the Company as well as the statutory auditors' report thereon prior to submitting to the Board for approval, and that the financial statements were drawn up in accordance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, Companies Act 2016, MMLR of Bursa Malaysia and Income Tax Act 1967 and it presented a true and fair view of the Company's financial performance.
- 1.4 Reviewed the disclosure statements in the published annual report of the Group and of the Company which encompasses the Audit Committee Report, Corporate Governance Overview Statement, Corporate Governance Report, Statement on Risk Management and Internal Control and other documents as set out in Part A of Appendix 9C of the MMLR of Bursa Malaysia.

2. EXTERNAL AUDIT

- 2.1 Reviewed and discussed with the external auditors their 2025 Audit Planning Memorandum before commencement of the annual audit. The 2025 Audit Planning Memorandum covered inter alia, audit approach, significant events, areas of audit emphasis and timeline.
- 2.2 Reviewed and discussed with the external auditors their Audit Review Memorandum upon completion of the annual audit, covering significant audit findings, internal control deficiencies, if any, status of audit and accounting issues and on the independence of the external auditors.
- 2.3 In determining the re-appointment of Crowe Malaysia PLT as auditors of the Company, the AC had conducted an annual assessment of the auditors' quality of services provided, interaction, communication, objectivity and professionalism in the form of assessment questionnaires. The AC also obtained feedback from the management who had interactions with the audit engagement team. The assessments encompassed the following areas:-

a. Objectivity and Independence

The external auditors provided written assurance to the AC confirming that they were not aware of any relationship which would impair their independence, and they have continuously complied with the relevant ethical and regulatory requirements.

The external auditors' independence was further enhanced by the By-Laws of Malaysian Institute of Accountants (on professional ethics, conduct and practice) as well as Crowe Malaysia PLT's internal policy, which requires the audit engagement partner to be rotated every six (6) years. The audit engagement partner responsible for the Group audit was rotated in 2022.

The provision of non-audit services by the external auditors was also reviewed by the AC for its reasonableness of fees charged and whether such services would affect their independence. The AC opines that the services have not impaired the independence of external auditors.

b. Communications and Quality of Services

The AC deliberated on the effectiveness of external auditors in the areas of technical competency, availability of resources and quality of services. The lead audit engagement partner and engagement teams have demonstrated openness, objectivity and professionalism in their communications with the AC including discussions at private meetings.

In addition, the AC also considered the information in the Annual Transparency Report tabled by the external auditors. Based on foregoing assessment, the AC was satisfied with Crowe Malaysia PLT and recommended to the Board for their re-appointment as External Auditors of the Company. A resolution for the re-appointment will be tabled for approval at the forthcoming AGM.

3. INTERNAL AUDIT

As regards to the work of the internal auditors of the Company, the AC carried out the following:

- 3.1 Reviewed and approved the Audit Planning Memorandum of the internal auditors for the financial year ended 31 December 2025 after ensuring the adequacy of the audit scope and coverage activities of the Group and the resources of the internal audit function. The scope was determined after assessment of key risk areas of the Group's activities.
- 3.2 Reviewed and discussed the internal audit reports which composed of audit findings, recommendations and corrective actions committed by the Management to ensure that all key risks will be addressed and adequate controls put in place on a timely basis.
- 3.3 Reviewed the progress of action plans committed by the Management for the key findings highlighted in previous internal audit reports until all material negative findings have been fully rectified.
- 3.4 Reviewed with Internal Audit on a quarterly basis any related party transactions to ensure transactions are carried out at arms length and are fair and reasonable and complied with Company procedures and the MMLR of Bursa Malaysia.

4. OTHER MATTERS CONSIDERED BY THE AUDIT COMMITTEE

- 4.1 Reported to the Board on significant issues and concerns discussed during the AC meetings together with applicable recommendations. Minutes of meetings were made available to all Board members.
- 4.2 Discussed and noted the updates on regulatory requirements issued by regulatory, statutory and professional bodies, and business news articles published by the mass media which may be of interest to the AC and the Board.
- 4.3 Reviewed the updates on the nature and extent of any conflict of interest (COI) or potential COI, including interest in any competing business situations, procedure or course of conduct that raises question of management integrity within the Group. There were no COI reported during the year under review.

D. INTERNAL AUDIT FUNCTION AND ACTIVITIES

For information relating to the internal audit function and its activities, please refer to the Statement on Risk Management and Internal Control.

DIRECTORS' RESPONSIBILITY STATEMENT FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 (CA) to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards (MFRSs), the International Financial Reporting Standards (IFRS), and the requirements of the CA in Malaysia.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors ensured that the Management has:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis.

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

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

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DIRECTORS' REPORT

The Directors of MEGA FIRST CORPORATION 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 December 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 42 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS OF OPERATIONS

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

	GROUP RM'000	COMPANY RM'000
Profit before tax	425,285	203,230
Tax expense	(20,595)	(189)
Profit after tax for the financial year	404,690	203,041
Attributable to:-		
Owners of the Company	386,973	203,041
Non-controlling interests	17,717	-
	404,690	203,041

In the opinion of the Directors, the results of the 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 as disclosed below in this Directors' Report under "*Items of An Unusual Nature*".

DIVIDENDS

Since the end of the previous financial year, the Company paid:-

- (a) a final single-tier dividend of 4.50 sen per ordinary share amounted to RM42,411,569 in respect of the financial year ended 31 December 2024, on 18 April 2025; and
- (b) an interim single-tier dividend of 4.75 sen per ordinary share amounted to RM44,760,405 for the financial year ended 31 December 2025, on 17 October 2025.

On 26 February 2026, the Company declared a second and final single-tier dividend of 5.0 sen per ordinary share in respect of the current financial year. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2026. The final dividend will be paid on 16 April 2026 to the Depositors who are registered in the Record of Depositors at the close of business on 6 April 2026.

RESERVES AND PROVISIONS

Apart from movements in retained profits which are disclosed in the sections of "Results of Operations" and "Dividends" to this report, all other material transfers to or from reserves or provisions during the financial year are disclosed as follows:-

GROUP	Translation Reserve RM'000	Fair Value Reserve RM'000
Foreign currency translation changes	(237,770)	-
Fair value changes of equity investments	-	(37,159)

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

DIRECTORS' REPORT (CONT'D)

TREASURY SHARES

During the financial year, the Company purchased 337,200 of its issued ordinary shares from the open market at an average price of RM3.59 per share. The total consideration paid for the purchase was approximately RM1,212,000 including transaction costs. The shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

None of the treasury shares were resold or cancelled during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company. There were no outstanding options granted by the Company to any person to take up any unissued shares in the Company as at 31 December 2025.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this Directors' Report, the Directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this Directors' Report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this Directors' Report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this Directors' Report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities 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 of the Group and of the Company 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.

CHANGE OF CIRCUMSTANCES

At the date of this Directors' Report, the Directors are not aware of any circumstances not otherwise dealt with in this Directors' Report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material or unusual nature other than the share of loss in joint venture, as disclosed in Note 19(a) to the financial statements.

There has not arisen in the interval between the end of the financial year and the date of this Directors' Report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this Directors' Report is made.

DIRECTORS' REPORT (CONT'D)

DIRECTORS

The names of Directors of the Company who served during the financial year and up to the date of this Directors' Report are as follows:-

- Goh Nan Kioh
- Khoo Teng Keat
- Tay Kheng Chiong
- Yeow See Yuen
- Jesper Bjorn Madsen
- Dato' Setia Prof Dr Tan Hui Meng
- Datin Jeyanthini a/p M.Kannaperan
- Goh Mei Sze
- Au Siew Loon
- Lui Soek Kuen
- Datuk Hj. Pengiran Saifuddin Bin Pengiran Tahir, JP
(Resigned on 12.11.2025)

The names of Directors of subsidiaries (who have held office during the financial year and up to the date of this Directors' Report, not including those Directors mentioned above) as required under Section 253(2) of the Companies Act 2016 have not been disclosed in this Directors' Report by virtue of relief order granted by the Companies Commission of Malaysia. Their names are set out in the respective subsidiaries' Directors' Report and the said information is deemed incorporated herein by such reference and shall form part thereof.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of Directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

		Number of ordinary shares		
	Balance as at 1.1.2025	Acquired	Disposed	Balance as at 31.12.2025
SHARES IN THE COMPANY				
Goh Nan Kioh				
- Direct	26,097,456	-	-	26,097,456
- Deemed	302,974,782	10,769,500	-	313,744,282
Khoo Teng Keat				
- Direct	4,677,376	10,024	-	4,687,400
Tay Kheng Chiong				
- Direct	786,462	-	-	786,462
Yeow See Yuen				
- Direct	9,781,494	119,000	-	9,900,494
Dato' Setia Prof Dr Tan Hui Meng				
- Direct	1,033,000	-	-	1,033,000
- Deemed	2,427,200	-	-	2,427,200
Goh Mei Sze				
- Direct	2,000,000	-	-	2,000,000
Jesper Bjorn Madsen				
- Direct	500,000	-	-	500,000
Lui Soek Kuen				
- Direct	4,000	-	-	4,000

In accordance with Section 8 of the Companies Act 2016, Goh Nan Kioh, by virtue of his interest in the shares of the Company, is deemed to have interests in the shares of all subsidiary companies within the Group to the extent of the Company's interests.

The other directors holding office at the end of the financial year had no interest in shares, options over unissued shares or debentures of the Company or its related corporations during the financial year.

Other than as stated above, none of the Directors of the Company who were in office at the end of the financial year had any other interests in shares, options over unissued shares or debentures of the Company or of its related corporations during the financial year except as disclosed below:-

		Number of ordinary shares		
	Balance as at 1.1.2025	Acquired	Disposed	Balance as at 31.12.2025
SHARES IN SUBSIDIARY, HEXACHASE LABELS SDN BHD				
Yeow See Yuen	11,250	-	-	11,250

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than Directors' remuneration as disclosed in the "Directors' Remuneration" section of this Directors' Report) 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.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the remuneration paid or payable to the Directors of the Company during the financial year are as follows:-

	GROUP RM'000	COMPANY RM'000
Fees	527	527
Salaries, bonuses and other remuneration	1,262	691
Defined contribution benefits	151	83
Other emoluments	9	7
	1,949	1,308

INDEMNITY AND INSURANCE COSTS

The Directors and Officers of the Group and of the Company are covered by Directors and Officers Liability Insurance (D&O Insurance) for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The total amount of indemnity coverage for the Directors and Officers of the Group was RM10,000,000. No indemnity was given to or insurance effected for auditors of the Company.

SUBSIDIARIES

The name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each of its subsidiaries as required under Section 253(1)(c) of the Companies Act 2016 have not been disclosed in this Directors' Report by virtue of relief order granted by the Companies Commission of Malaysia. Instead, the required details are disclosed in Note 42 to the financial statements.

SIGNIFICANT EVENT

The significant event is disclosed in Note 47 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

AUDITORS' REMUNERATION

The total amount payable to the auditors as remuneration for their services as auditors for the financial year are as follows:-

	GROUP RM'000	COMPANY RM'000
Crowe Malaysia PLT and member firms	1,165	185
Other auditors	144	-
	1,309	185

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS

GOH MEI SZE

31 March 2026

KHOO TENG KEAT

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MEGA FIRST CORPORATION BERHAD

(INCORPORATED IN MALAYSIA) REGISTRATION NUMBER: 196601000210 (6682-V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Mega First Corporation Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the 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 financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 92 to 162.

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

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 financial 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.

Don Sahong Hydropower Project (DSPC) – Service Concession Asset Refer to Notes 5 and 13 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
The carrying amount of the service concession asset as at 31 December 2025 was RM1.888 billion. The Group has carried out the impairment assessment on the service concession asset and concluded that there is no indication of impairment on the service concession asset by comparing the recoverable amount of the service concession asset to its carrying amount. The Group estimated the recoverable amount of the service concession asset using the value-in-use (VIU) method. Estimating the VIU involves discounting to its present value the estimated future cash inflows and outflows that will be derived from the service concession asset using an appropriate discount rate.	The audit of DSPC was undertaken by a component auditor (CA). Our procedures included:- (a) Assessed the objectivity, independence and expertise of the CA; (b) Performed enquiry and obtained explanations from management to corroborate the audit evidence obtained by the CA; and (c) Evaluated and assessed the following in relation to the VIU of the service concession asset:- • Key assumptions used in the computation of the VIU; • Discount rate used in the computation of the VIU; and • Sensitivity analysis of the key assumptions used.
Investment in Joint Venture Refer to Note 19 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
The carrying amount of the investment in joint venture as at 31 December 2025 was RM101.693 million. The Group has carried out the impairment assessment on the investment in joint venture and concluded that there is no indication of impairment on the investment in joint venture by comparing the recoverable amount of the investment in joint venture to its carrying amount. The Group estimated the recoverable amount of the investment in joint venture using the value-in-use (VIU) method. Estimating the VIU involves discounting to its present value the estimated future cash inflows and outflows that will be derived from the investment in joint venture using an appropriate discount rate.	Our audit procedures included:- (a) Performed enquiry and obtained explanations from joint venture management to corroborate the audit evidence obtained; and (b) Evaluated and assessed the following in relation to the VIU of the joint venture investment:- • Key assumptions used in the computation of the VIU; • Discount rate used in the computation of the VIU; and • Sensitivity analysis of the key assumptions used.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MEGA FIRST CORPORATION BERHAD (CONT'D)
(INCORPORATED IN MALAYSIA) REGISTRATION NUMBER: 196601000210 (6682-V)

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, 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 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, IFRS Accounting 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.
- 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MEGA FIRST CORPORATION BERHAD (CONT'D)

(INCORPORATED IN MALAYSIA) REGISTRATION NUMBER: 196601000210 (6682-V)

- 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 financial 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 42 to the financial statements.

OTHER MATTERS

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

Crowe Malaysia PLT

201906000005 (LLP0018817-LCA) & AF 1018

Chartered Accountants

Kuala Lumpur

31 March 2026

Onn Kien Hoe

01772/11/2026 J

Chartered Accountant

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		GROUP		COMPANY	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	Note 5	1,419,626	1,741,879	217,342	46,453
Cost Of Sales And Providing Services		(792,713)	(1,085,098)	-	-
Gross Profit		626,913	656,781	217,342	46,453
Other Income		52,790	101,107	11,915	3,618
Administrative And Distribution Expenses		(85,811)	(80,718)	(12,261)	(10,932)
Other Expenses		(44,277)	(29,156)	(2,848)	(1,297)
Net (Impairment Losses)/ Reversal of Impairment on Financial Assets	6	(579)	(10,270)	20	-
Profit From Operations	7	549,036	637,744	214,168	37,842
Finance Costs	8	(49,499)	(62,183)	(10,938)	(7,973)
Share Of Results in Equity Accounted Investments	9	(74,252)	(66,242)	-	-
Profit Before Tax		425,285	509,319	203,230	29,869
Tax Expense	10	(20,595)	(18,301)	(189)	(44)
Profit After Tax For The Financial Year		404,690	491,018	203,041	29,825
Other Comprehensive (Expenses)/Income	11	(286,373)	(114,011)	177	(886)
Total Comprehensive Income For The Financial Year		118,317	377,007	203,218	28,939
Profit After Tax Attributable To:					
- Owners Of The Company		386,973	459,178	203,041	29,825
- Non-controlling Interests		17,717	31,840	-	-
		404,690	491,018	203,041	29,825
Total Comprehensive Income Attributable To:					
- Owners Of The Company		112,044	347,714	203,218	28,939
- Non-controlling Interests		6,273	29,293	-	-
		118,317	377,007	203,218	28,939
Earnings Per Share (sen)	12	41.06	48.71		

The accompanying Notes on pages 100 to 162 form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

		GROUP		COMPANY	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ASSETS					
Non-Current Assets					
Service Concession Assets	13	1,921,276	2,175,656	-	-
Property, Plant And Equipment	14	980,111	852,473	12,458	11,761
Water Rights	15	294,006	337,515	-	-
Investment Properties	16	185,530	184,997	-	-
Right-Of-Use Assets	17	113,413	117,549	9,887	10,209
Subsidiaries	18	-	-	1,604,176	1,529,364
Joint Ventures	19	101,693	104,545	45,000	45,000
Associates	20	83,173	68,887	-	-
Investments In Quoted And Unquoted Shares	21	51,185	88,020	753	576
Goodwill On Consolidation	22	57,927	57,927	-	-
Inventories	23	40,166	40,166	-	-
Receivables	24	191,075	245,944	-	-
Development Expenditures		542	884	-	-
Other Asset		522	501	-	-
		4,020,619	4,275,064	1,672,274	1,596,910
Current Assets					
Inventories	23	168,239	185,896	-	-
Biological Assets, At Fair Value		335	301	-	-
Receivables	24	243,955	330,062	24,171	25,513
Other Current Assets	25	59,149	61,712	689	500
Bank Balances And Deposits	26	466,133	268,320	30,117	4,874
		937,811	846,291	54,977	30,887
TOTAL ASSETS		4,958,430	5,121,355	1,727,251	1,627,797

The accompanying Notes on pages 100 to 162 form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025 (CONT'D)

		GROUP		COMPANY	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
EQUITY AND LIABILITIES	Note				
Share Capital	27	743,121	743,121	743,121	743,121
Treasury Shares	28	(47,685)	(46,473)	(47,685)	(46,473)
Retained Profits		2,888,527	2,588,726	733,798	617,929
Other Non-Distributable Reserves	29	(235,779)	39,150	(90,902)	(91,079)
Equity Attributable To Owners Of The Company		3,348,184	3,324,524	1,338,332	1,223,498
Non-controlling Interests	18(c)	206,021	219,930	-	-
Total Equity		3,554,205	3,544,454	1,338,332	1,223,498
Non-Current Liabilities					
Long-Term Borrowings	30	374,711	530,924	-	-
Deferred Tax Liabilities	31	129,671	133,853	-	-
Put Option Liability	32	-	69,220	-	69,220
Hire Purchase Liabilities		309	1,147	-	-
Lease Liabilities		6,899	7,288	-	-
Payables	34	6,763	2,171	-	-
		518,353	744,603	-	69,220
Current Liabilities					
Hire Purchase Liabilities		1,299	2,566	-	-
Lease Liabilities		932	1,221	-	-
Put Option Liability	32	64,766	-	64,766	-
Short-Term Borrowings	33	656,102	615,516	229,000	180,000
Payables	34	162,773	212,995	95,153	155,079
		885,872	832,298	388,919	335,079
Total Liabilities		1,404,225	1,576,901	388,919	404,299
TOTAL EQUITY AND LIABILITIES		4,958,430	5,121,355	1,727,251	1,627,797
Net Assets Per Ordinary Share (RM)	35	3.55	3.53		

The accompanying Notes on pages 100 to 162 form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

GROUP	Non-Distributable						Distributable	Attributable To Owners Of The Company	Non-controlling Interests	Total Equity
	Share Capital RM'000	Treasury Shares RM'000	Translation Reserve RM'000	Fair Value Reserve RM'000	Capital Reserve RM'000	Other Reserve RM'000	Retained Profits RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2024	743,121	(45,517)	139,813	73,620	27,394	(88,556)	2,207,033	3,056,908	167,110	3,224,018
Profit after taxation for the financial year	-	-	-	-	-	-	459,178	459,178	31,840	491,018
Other comprehensive expenses for the financial year:										
- Fair value changes of equity investments	-	-	-	(43,161)	-	-	-	(43,161)	-	(43,161)
- Foreign currency translation differences	-	-	(68,303)	-	-	-	-	(68,303)	(2,547)	(70,850)
Total comprehensive income for the financial year	-	-	(68,303)	(43,161)	-	-	459,178	347,714	29,293	377,007
Contributions by and distributions to owners of the Company:										
Dividends paid to shareholders of the Company (Note 43)	-	-	-	-	-	-	(82,485)	(82,485)	-	(82,485)
Purchase of treasury shares	-	(956)	-	-	-	-	-	(956)	-	(956)
Total transactions with owners of the Company	-	(956)	-	-	-	-	(82,485)	(83,441)	-	(83,441)
Effect on accretion of interest in a subsidiary (Note 36)	-	-	-	-	-	-	3,003	3,003	(9,382)	(6,379)
Effect on dilution of interest in a subsidiary	-	-	-	-	-	-	340	340	(330)	10
Dividends paid to a subsidiary's non-controlling interests	-	-	-	-	-	-	-	-	(14,975)	(14,975)
Subscription of shares in subsidiaries by non-controlling interests	-	-	-	-	-	-	-	-	162	162
Acquisition of subsidiaries (Note 37)	-	-	-	-	-	-	-	-	48,052	48,052
Gain arising from disposal of equity investments recycled to retained profits	-	-	-	(1,657)	-	-	1,657	-	-	-
Balance at 31 December 2024/1 January 2025	743,121	(46,473)	71,510	28,802	27,394	(88,556)	2,588,726	3,324,524	219,930	3,544,454
Profit after taxation for the financial year	-	-	-	-	-	-	386,973	386,973	17,717	404,690
Other comprehensive expenses for the financial year:										
- Fair value changes of equity investments	-	-	-	(37,159)	-	-	-	(37,159)	-	(37,159)
- Foreign currency translation differences	-	-	(236,929)	-	-	-	-	(236,929)	(11,444)	(248,373)
- Share of associate's translation reserve	-	-	(841)	-	-	-	-	(841)	-	(841)
Total comprehensive income for the financial year	-	-	(237,770)	(37,159)	-	-	386,973	112,044	6,273	118,317
Contributions by and distributions to owners of the Company:										
Dividends paid to shareholders of the Company (Note 43)	-	-	-	-	-	-	(87,172)	(87,172)	-	(87,172)
Purchase of treasury shares	-	(1,212)	-	-	-	-	-	(1,212)	-	(1,212)
Total transactions with owners of the Company	-	(1,212)	-	-	-	-	(87,172)	(88,384)	-	(88,384)
Dividends paid to subsidiaries' non-controlling interests	-	-	-	-	-	-	-	-	(28,632)	(28,632)
Subscription of shares in subsidiaries by non-controlling interests	-	-	-	-	-	-	-	-	8,450	8,450
Balance at 31 December 2025	743,121	(47,685)	(166,260)	(8,357)	27,394	(88,556)	2,888,527	3,348,184	206,021	3,554,205

The accompanying Notes on pages 100 to 162 form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

COMPANY	Share Capital RM'000	Treasury Shares RM'000	Non-Distributable		Distributable Retained Profits RM'000	Total Equity RM'000
			Fair Value Reserve RM'000	Other Reserve RM'000		
Balance at 1 January 2024	743,121	(45,517)	(1,637)	(88,556)	670,589	1,278,000
Profit after taxation for the financial year	-	-	-	-	29,825	29,825
Other comprehensive expenses for the financial year:						
- Fair value changes of equity investments	-	-	(886)	-	-	(886)
Total comprehensive income for the financial year	-	-	(886)	-	29,825	28,939
Contributions by and distributions to owners of the Company:						
Dividends paid to shareholders of the Company (Note 43)	-	-	-	-	(82,485)	(82,485)
Purchase of treasury shares	-	(956)	-	-	-	(956)
Total transactions with owners of the Company	-	(956)	-	-	(82,485)	(83,441)
Balance at 31 December 2024/1 January 2025	743,121	(46,473)	(2,523)	(88,556)	617,929	1,223,498
Profit after taxation for the financial year	-	-	-	-	203,041	203,041
Other comprehensive income for the financial year:						
- Fair value changes of equity investments	-	-	177	-	-	177
Total comprehensive income for the financial year	-	-	177	-	203,041	203,218
Contributions by and distributions to owners of the Company:						
Dividends paid to shareholders of the Company (Note 43)	-	-	-	-	(87,172)	(87,172)
Purchase of treasury shares	-	(1,212)	-	-	-	(1,212)
Total transactions with owners of the Company	-	(1,212)	-	-	(87,172)	(88,384)
Balance at 31 December 2025	743,121	(47,685)	(2,346)	(88,556)	733,798	1,338,332

The accompanying Notes on pages 100 to 162 form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

GROUP	2025 RM'000	2024 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before tax	425,285	509,319
Adjustments for:		
Allowance for impairment losses on receivables, net	579	10,270
Amortisation of:		
- service concession asset	82,971	88,921
- development expenditures	342	491
- water rights	12,922	-
Depreciation of:		
- property, plant and equipment	48,746	49,874
- right-of-use assets	4,850	4,738
Finance costs:		
- Interest on bank borrowings	47,318	60,073
- Interest on hire purchase liabilities	160	526
- Interest on lease liabilities	273	263
- Others	1,748	1,321
Goodwill written off	-	990
Inventories write-off	1,601	44
Loss on deconsolidation of subsidiaries	-	99
Plant and equipment written off	7,471	656
Right-of-use assets written off	-	33
Provision for retirement benefits	48	48
Share of results in equity accounted investments	74,252	66,242
Unrealised loss on foreign exchange, net	11,801	2,036
Write-down/(Writeback) in value of inventories, net	1,771	(30)
Construction profit arising from service concession arrangements	(5,017)	(36,639)
Dividend income	(1,561)	(2,091)
Deferred income	(424)	(239)
Fair value (gain)/loss on:		
- put option liability	(4,454)	(1,539)
- investment properties	(533)	7,994
- biological assets	(34)	(25)
Gain on disposal of property, plant and equipment	(180)	(494)
Gain on lease modification	-	(8)
Insurance claims income	-	(31,826)
Interest income	(10,760)	(24,190)
Financing income on long-term receivable	(16,594)	-
Writeback of impairment loss on property, plant and equipment	(5,940)	-
Operating Profit Before Working Capital Changes	676,641	706,857
Changes in Working Capital:		
- Decrease/(Increase) in inventories	16,074	(52,574)
- Decrease/(Increase) in receivables and prepayments	87,653	(165,370)
- Decrease/(Increase) in contract assets	303	(276)
- (Decrease)/Increase in payables	(11,032)	9,329
Cash From Operations	769,639	497,966
Income tax paid	(16,094)	(18,606)
Retirement benefits paid	(51)	-
Net Cash From Operating Activities	753,494	479,360

The accompanying Notes on pages 100 to 162 form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Note	2025 RM'000	2024 RM'000
Net Cash From Operating Activities		753,494	479,360
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES			
Acquisition of additional equity shares in a subsidiary	36	-	(6,379)
Contract costs paid	25.2	(21,510)	(16,274)
Dividends received		2,461	2,091
Insurance claims income received		4,029	27,797
Interest received		10,760	24,190
Financing income on long-term receivable		16,594	-
Investment in associates and joint venture		(87,427)	(73,000)
Net cash outflow from:			
- acquisition of subsidiaries	37	-	(5,384)
- deconsolidation of subsidiaries	38	(27)	(48)
Payments for purchase of:			
- water rights	15	-	(337,515)
- property, plant and equipment	39(a)	(172,828)	(278,676)
- right-of-use assets	39(a)	-	(95)
- quoted shares		(324)	(1,200)
Cash outflow for fifth turbine project		(29,171)	(116,784)
Proceeds from disposal of:			
- property, plant and equipment		1,015	1,191
- quoted shares		-	3,966
Proceed from redemption of short-term investment		-	4,500
Net Cash For Investing Activities		(276,428)	(771,620)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES			
Dividends paid to:			
- Owners of the Company	43	(87,172)	(82,485)
- Non-controlling interests		(28,632)	(14,975)
Finance costs paid:			
- Interest expenses	39(b)	(55,334)	(61,667)
- Others		(1,748)	(1,321)
Net drawdown/(repayment) of:			
- Revolving credits, trade financing and loans	39(b)	26,022	177,580
- Hire purchase liabilities	39(b)	(2,514)	(8,018)
- Lease liabilities	39(b)	(1,563)	(1,792)
- Term loans	39(b)	(109,252)	51,136
Withdrawal of deposits pledged to financial institutions or with original maturity period of more than 3 months		8,062	5,737
Proceeds from issuance of shares by subsidiaries to non-controlling interests		8,450	162
Proceeds on disposal of a partial interest in a subsidiary		-	10
Purchase of treasury shares		(1,212)	(956)
Net Cash (For)/From Financing Activities		(244,893)	63,411
EFFECT OF FOREIGN EXCHANGE TRANSLATION		(27,355)	(5,681)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		204,818	(234,530)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		228,404	462,934
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	26	433,222	228,404

The accompanying Notes on pages 100 to 162 form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

COMPANY	Note	2025 RM'000	2024 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES			
Profit before tax		203,230	29,869
Adjustments for:			
Depreciation of:			
- Property, plant and equipment		213	211
- Right-of-use assets		322	323
Interest expenses on:			
- revolving credits		7,430	3,787
- amount owing to subsidiaries		3,418	3,726
Unrealised loss/(gain) on foreign exchange		635	(177)
Deferred income		(239)	(239)
Fair value gain on put option liability		(4,454)	(1,539)
Writeback of impairment loss on:			
- Other receivable		(20)	-
- Investment in a subsidiary		(6,389)	-
Operating Profit Before Working Capital Changes		204,146	35,961
Decrease in receivables		512	398
Decrease in payables		(542)	(162)
Cash From Operations		204,116	36,197
Income tax paid		(100)	(330)
Interest paid on:			
- revolving credits	39(b)	(7,430)	(3,787)
- amount owing to subsidiaries		(3,418)	(3,726)
Net Cash From Operating Activities		193,168	28,354
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES			
Additional investment in joint venture		-	(25,000)
Payment for purchase of property, plant and equipment	39(a)	(910)	(717)
Repayment from subsidiaries		634	12,459
Subscription of equity and non-equity shares in subsidiaries		(84,347)	(119,127)
Net Cash For Investing Activities		(84,623)	(132,385)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES			
Dividends paid	43	(87,172)	(82,485)
Net drawdown of revolving credits	39(b)	49,000	130,000
Purchase of treasury shares		(1,212)	(956)
(Repayment to)/Advances from subsidiaries		(43,283)	40,141
Net Cash (For)/From Financing Activities		(82,667)	86,700
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		(635)	177
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		25,243	(17,154)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		4,874	22,028
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	26	30,117	4,874

The accompanying Notes on pages 100 to 162 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

1. CORPORATE INFORMATION

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

The registered office and principal place of business of the Company is located at A-12-01 Level 12, Block A, PJ8, No. 23 Jalan Barat, Seksyen 8, 46050 Petaling Jaya, Selangor Darul Ehsan.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 42 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

3. BASIS OF PREPARATION

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as "the Group".

The financial statements of the Group and of the Company are:-

- (a) presented in Ringgit Malaysia (RM), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated;
- (b) prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information; and
- (c) in compliance with Malaysian Financial Reporting Standards (MFRSs), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 31 March 2026.

- 3.1 During the current financial year, the Group and the Company have adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 121: Lack of Exchangeability

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

- 3.2 The Group and the Company have not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Effective Date

MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability - Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 19: Subsidiaries without Public Accountability - Disclosures	1 January 2027
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

3. BASIS OF PREPARATION (CONT'D)

- 3.2 The Group and the Company have not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:- (Cont'd)
- (a) MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The Group and the Company are currently assessing the impact of implementing this new standard.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Basis of Consolidation

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred by the Group at the acquisition date. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition.

(b) Goodwill

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

In respect of equity-accounted associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates and joint ventures.

4.2 Financial Instruments

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 - Revenue from Contracts with Customers at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/ deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the Group's business model for managing the financial asset and the cash flow characteristics of the asset i.e. classification of the financial assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.2 Financial Instruments (Cont'd)

(a) Financial Assets (Cont'd)

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

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 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), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest.

The Group has elected to designate the equity instruments as financial assets through other comprehensive income at initial recognition.

The financial assets are initially measured at fair value plus transaction costs. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes taken up in other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference of a debt instrument which are recognised directly in profit or loss. The fair value changes do not include interest and dividend income.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss except for the amount of change in the fair value that is attributable to changes in the credit risk of that liability is recognised directly in other comprehensive income and is not subsequently reclassified to profit or loss upon the derecognition of the financial liability.

Put Option Liability Over Shares Held By Non-Controlling Interest

The Group had written put options over the equity of a subsidiary which permit the holders to put their shares in the subsidiary back to the Group at their fair values on specified dates over a 5 years period. The amount that may become payable under the option on exercise is initially recognised at the present value of the redemption amount within borrowings with a corresponding charge directly to equity. The charge to equity is recognised separately as written put options over non-controlling interests.

The liability is subsequently accreted through finance charges up to the redemption amount that is payable at the date at which the option first becomes exercisable. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.2 Financial Instruments (Cont'd)

(b) Financial Liabilities (Cont'd)

(ii) Financial Liabilities at Amortised Costs

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

(i) Ordinary Shares

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

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

(d) 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 debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee.

4.3 Subsidiaries

Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less accumulated impairment losses, if any.

4.4 Joint Arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements returns.

The Group has assessed the nature of its joint arrangement and determined it to be joint venture where it has rights only to the net assets of the arrangement.

The Group's investment in the joint venture is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The interest in the joint venture is the carrying amount of the investment in the joint venture determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the joint venture.

4.5 Associates

An associate is an entity in which the Group has a long-term equity interest and where it exercises significant influence over the financial and operating policies.

The Group's investment in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The interest in the associate is the carrying amount of the investment in the associate determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.6 Property, Plant and Equipment

Property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is not depreciated.

Power plant assets are depreciated to profit or loss on the straight-line basis over the period when the assets are available for use until the expiry of the power purchase agreement term.

Other property, plant and equipment, other than construction-in-progress, are depreciated to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line basis to write off the cost of each asset over its estimated useful life. The principal annual depreciation rates are:-

Buildings	2.0% to 5.0%
Plant, machinery and equipment	5.0% to 50%
Vehicles	20% to 33%
Bearer plants	3 to 38 years

(a) Bearer Plants

Bearer plants are living plants used in the production or supply of agricultural produce which are expected to bear produce for more than one period and have a remote likelihood of being sold as agricultural produce.

Bearer plants mainly include mature and immature coconut and other crops plantations. Immature plantations are stated at acquisition cost which includes costs incurred for field preparation, planting, fertilising and maintenance, capitalisation of borrowing costs incurred on loans used to finance the developments of immature plantations and an allocation of other indirect costs based on planted hectares. Mature plantations are stated at acquisition cost less accumulated depreciation and impairment losses, if any.

4.7 Right-Of-Use Assets and Lease Liabilities

(a) Short-term Leases and Leases of Low-value Assets

The Group apply the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term. The estimated useful lives of the right-of-use assets are determined as follow:-

Leasehold Land and Land Use Right	over the lease term/remaining lease period ranging from 3 to 99 years
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(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount has been reduced to zero.

4.8 Investment Properties

Investment properties are properties which are owned either to earn rental income or for capital appreciation or for both but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are initially measured at cost.

Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.9 Service Concession Asset

Service concession asset recognised is measured at cost, which is the fair value of the consideration received or receivable for the construction services provided and is amortised on a straight-line basis over the period when it is available for use until the end of concession term.

The Group estimate the fair value of the consideration received or receivable for the construction services provided to be equal to the projected project costs plus a margin. Project costs comprise all costs incurred during the development and construction phase of the Project and borrowing costs. Development costs include preliminary site works, environmental and social, project development and management, professional fees and insurance costs. Costs during the construction phase include Engineering, Procurement, Construction and Commissioning Contract (EPCC Contract) and construction of Transmission Facility.

The costs of day-to-day servicing of the service concession asset are recognised in profit or loss when incurred.

Where an indication of impairment exists, the carrying amount of the service concession asset is assessed and written down immediately to its recoverable amount.

4.10 Service Concession Arrangement

A service concession arrangement is an arrangement involving an operator constructing and/or upgrading, operating and maintaining infrastructure used to provide a public service for a specified period of time. The operator is paid for its services over the period of the arrangement. The arrangement is governed by a contract that sets out performance standards, mechanisms for adjusting prices and arrangements for arbitrating disputes. The grantor controls (through ownership, beneficial entitlement or otherwise) any significant residual interest in the infrastructure at the end of the term of the arrangement.

The Group provides construction services to the grantor in exchange for the concession assets and contract assets. Construction revenue is recognised at the fair value using the output method as guided under Note 4.9 to the financial statements, with corresponding entry recorded as a service concession assets and contract assets, in the consolidated statement of financial position.

The service concession asset represents the Group's rights (license) to charge the grantor, based on usage of the public service for the construction of assets.

Provision for anticipated loss on the construction project will be made in the financial statements as soon as the possibility of loss is ascertained.

4.10.1 Contract Cost Assets

The Group recognises costs that relate directly to a contract with customer as an asset when the costs generate or enhance resources of the Group, will be used in satisfying performance obligation in the future and are expected to be recovered.

4.10.2 Contract Assets

Contract assets are recognised when the Group's right to consideration is conditional on something other than the passage of time, for construction work completed on construction contracts but not yet billed as at the reporting date. It is transferred to trade receivables when the Group issues billing in the manner as established in the contracts with customers.

A contract asset is subject to impairment requirements of MFRS 9.

4.10.3 Water Rights

This represents the payments made for the water rights associated with the service concession arrangement which will be amortised on a straight-line basis over the concession period.

4.11 Inventories

(a) Land Held for Property Development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle is classified as non-current. The carrying amount of such land classified as inventory under non-current assets is carried at the lower of cost and net realisable value.

Land held for property development is reclassified as property development costs under inventories at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.11 Inventories (Cont'd)

(b) Property Development Costs

Property development costs are stated at the lower of cost and net realisable value. Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses and the anticipated costs to completion, or by management estimates based on prevailing market conditions.

On completion, sold properties are recognised in profit or loss and unsold properties are transferred to developed properties held for sale.

(c) Developed Properties Held for Sale

Developed properties held for sale are stated at the lower of cost and net realisable value. Cost is determined by the specific identification method.

(d) Other Inventories

Other inventories are stated at the lower of cost (determined on a weighted average or first-in first-out method, as applicable) and net realisable value after making due allowance for any obsolete or slow-moving items.

4.12 Income Tax

(a) Current Tax

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

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

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

4.13 Critical Accounting Estimates and Judgements

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation and Amortisation of Property, Plant and Equipment, Right-Of-Use Assets, Service Concession Asset and Other Assets

The estimates for the residual values, useful lives and related depreciation and amortisation charges for the property, plant and equipment, right-of-use assets, service concession asset and other assets are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment, right-of-use assets, service concession asset and other assets will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation and amortisation charges could be revised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.13 Critical Accounting Estimates and Judgements (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(b) Valuation of Investment Properties

Investment properties of the Group reported at fair value under level 2 are based on valuations performed by Management with reference to the sales prices of comparable properties in close proximity location and where necessary, adjusting for factors such as tenure, location, property size and market trends. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuations.

For investment properties carried at fair value under level 3 which are valued using discounted cash flows approach, the Management have exercised judgement in determining discount rates as represented by rental yields, estimates of future cash flows, market rental rate, rental void rate and other factors used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting fair value.

(c) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(d) Impairment of Property, Plant and Equipment, Right-Of-Use Assets, Service Concession Asset and Other Assets

The Group and the Company determine whether its property, plant and equipment, right-of-use assets, service concession asset and other assets is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates.

(e) Fair Value of Put Option Liability

The fair value of put option liability over shares of a subsidiary held by non-controlling interest is determined using expected future value of a subsidiary with the resulting value discounted to present value. In estimating the fair value of the redemption amount of put option, the Group has used discounted cash flows model in projecting expected exercise price payable, utilising comparable discount rate and estimated sales and profit margin reflecting current market conditions specific to the industry it operates within. Although the Group and the Company believe that the estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurement of fair value.

(f) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables.

(g) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group and the Company to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group and the Company use judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.13 Critical Accounting Estimates and Judgements (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(h) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(i) Revenue Recognition for Construction Contracts

The Group recognises construction revenue by reference to the construction progress based on the physical proportion of contract work performed. Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation based on the contract work certified to date corroborated by the level of completion of the construction based on actual costs incurred to date over the estimated total contract costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience.

Critical Judgement Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements.

5. REVENUE

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from Contracts with Customers				
Recognised at a point in time:				
i) Sales of renewable energy	619,525	649,003	-	-
ii) Sales of goods	751,313	702,590	-	-
iii) Provision of management services	-	-	1,580	1,298
Recognised over time:				
- Construction revenue	39,433	383,247	-	-
Revenue from Other Sources				
Dividend income	797	904	215,200	44,695
Interest income	139	29	562	460
Rental income	8,419	6,106	-	-
	1,419,626	1,741,879	217,342	46,453

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

5. REVENUE (CONT'D)

The information on the disaggregation of revenue based on geographical region is summarised below:-

	Contracts With Customers		Other Sources		Total	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
GROUP						
Lao PDR	607,994	1,010,325	-	-	607,994	1,010,325
Malaysia	367,543	317,399	9,355	7,039	376,898	324,438
Other ASEAN countries	102,145	84,999	-	-	102,145	84,999
India and Bangladesh	75,167	83,435	-	-	75,167	83,435
Papua New Guinea	56,384	49,231	-	-	56,384	49,231
United States	57,507	32,655	-	-	57,507	32,655
Australia and New Zealand	39,676	47,133	-	-	39,676	47,133
Other countries	103,855	109,663	-	-	103,855	109,663
	1,410,271	1,734,840	9,355	7,039	1,419,626	1,741,879
COMPANY						
Malaysia	1,580	1,298	215,703	45,096	217,283	46,394
Other countries	-	-	59	59	59	59
	1,580	1,298	215,762	45,155	217,342	46,453

- (a) The information about the performance obligations in contracts with customers is summarised below:-

Sale of goods

Revenue from sale of goods is recognised at a point in time when goods have been transferred and accepted by customers, net of goods and services tax, returns and discount.

The credit periods ranging from 30 to 120 days from the invoice date.

Revenue from Renewable Energy Sale

Revenue from the sale of energy is recognised at a point in time upon invoiced value of electricity generated, net of billing adjustments and indirect taxes (wherever applicable) because the customer receives and uses the benefits simultaneously.

Customers are invoiced on a monthly basis and the credit periods ranging from 30 to 60 days from the invoice date.

Provision of Management Services

Revenue from provision of management services is recognised when services are rendered.

Construction Services

Construction revenue from service concession arrangements is recognised over time in the period when the services are rendered using cost incurred plus a margin method.

- (b) The information of the revenue from other sources is summarised below:-

Dividend Income

Dividend income from subsidiaries and other investments are recognised when the shareholders' right to receive is established.

Interest Income

Interest income on short-term deposits and advances are recognised on an accrual basis based on effective interest method.

Rental Income

Rental income is accounted for on a straight-line method over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

6. NET (IMPAIRMENT LOSSES)/REVERSAL OF IMPAIRMENT ON FINANCIAL ASSETS

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Impairment losses on receivables	(2,391)	(10,587)	-	-
Writeback of impairment losses on receivables	1,812	317	20	-
	(579)	(10,270)	20	-

7. PROFIT FROM OPERATIONS

This is arrived at:-

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
After crediting:				
Deferred income	424	239	239	239
Dividend income from subsidiaries	-	-	215,200	44,695
Fair value gain on:				
- Investment properties	838	-	-	-
- Biological assets	34	25	-	-
Financing income on long-term receivable	16,594	-	-	-
Gain arising from financial asset measured at fair value through other comprehensive income:				
- Dividend from equity investments	1,561	2,091	-	-
Gains arising from financial assets measured at amortised cost:				
- Interest income on:				
(i) Advances to subsidiaries	-	-	422	454
(ii) Deposits with financial institutions and others	10,760	24,190	140	5
Gain arising from financial liability measured at fair value through profit or loss:				
- Fair value gain on put option liability	4,454	1,539	4,454	1,539
Gain on foreign exchange:				
- Realised	810	-	-	1,348
- Unrealised	267	-	-	177
Gain on disposal of:				
- Property, plant and equipment	180	494	-	-
Insurance income arising from fire incident within Packaging Division in September 2023	-	31,826	-	-
Rental income	10,485	7,549	310	310
Writeback in value of inventories	976	30	-	-
Writeback of impairment loss on:				
- Investment in a subsidiary	-	-	6,389	-
- Property, plant and equipment	5,940	-	-	-
After charging:				
Amortisation of:				
- Service concession asset	82,971	88,921	-	-
- Development expenditures	342	491	-	-
- Water rights	12,922	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

7. PROFIT FROM OPERATIONS (CONT'D)

This is arrived at (Cont'd):-

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
After charging (Cont'd):				
Auditors' remuneration:				
(a) Audit fees:				
(i) For the financial year:				
- Crowe Malaysia PLT (Auditors)	1,165	1,123	185	217
- Member firms of the Auditors	-	14	-	-
- Other auditors	144	236	-	-
(ii) Under/(Over)provision in previous financial years:				
- Auditors	17	(62)	15	-
(b) Non-audit fees:				
(i) Auditors	7	7	7	7
(ii) Firms or corporations affiliated to Auditors:				
- Tax compliance fees	279	276	15	15
- Other service fees	189	107	-	-
- Underprovision in previous financial year	4	-	3	-
Depreciation of:				
- Property, plant and equipment	48,746	49,874	213	211
- Right-of-use assets	4,850	4,738	322	323
Direct operating expenses arising from investment properties	2,688	3,761	-	-
Fair value loss on investment properties	305	7,994	-	-
Goodwill written off	-	990	-	-
Inventories written off	1,601	44	-	-
Loss on foreign exchange:				
- Realised	6,238	2,098	975	-
- Unrealised	12,068	2,036	635	-
Loss on deconsolidation of subsidiaries	-	99	-	-
Plant and equipment written off	7,471	656	-	-
Right-of-use assets written off	-	33	-	-
Staff costs (including other key management personnel in Note 45):				
- Defined contribution benefits	7,378	6,101	767	716
- Salaries, wages, bonuses and allowances	83,275	76,744	6,846	6,158
- Other benefits	8,704	7,099	389	270
Write-down in value of inventories	2,747	-	-	-

8. FINANCE COSTS

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Losses arising from financial liabilities measured at amortised cost, notably interest expense on:				
- Bank overdrafts	19	17	-	-
- Revolving credits	9,424	6,785	7,430	3,787
- Amount owing to subsidiaries	-	-	3,418	3,726
- Term loans	34,928	51,052	-	-
- Hire purchase liabilities	160	526	-	-
- Trade financing and loans	2,947	2,219	-	-
Interest expense on lease liabilities	273	263	-	-
Others	1,748	1,321	90	460
	49,499	62,183	10,938	7,973

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

9. SHARE OF RESULTS IN EQUITY-ACCOUNTED INVESTMENTS

	GROUP	
	2025 RM'000	2024 RM'000
Share of loss in joint venture	(77,852)	(65,059)
Share of profit from associates	4,885	787
Share of associates' loss	(1,285)	(1,970)
	3,600	(1,183)
	(74,252)	(66,242)

10. TAX EXPENSE

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current tax:				
- Current financial year	17,026	17,223	189	64
- Under/(Over)provision in the previous financial years	184	(1,455)	-	(20)
	17,210	15,768	189	44
Deferred tax (Note 31):				
- Relating to originating and recognition of temporary differences	2,381	4,065	-	-
- Under/(Over)provision in the previous financial years	1,004	(1,532)	-	-
	3,385	2,533	-	-
	20,595	18,301	189	44

A reconciliation of tax expense applicable to profit before tax at the Malaysia statutory tax rate to tax expense at the effective tax rate of the Group and of the Company is as follows:-

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before tax	425,285	509,319	203,230	29,869
Tax at Malaysia statutory rate of 24%	102,068	122,237	48,775	7,169
Tax effects of:				
- Non-taxable/Tax exempted income	(113,512)	(124,569)	(51,661)	(10,742)
- Expenses not deductible	15,841	15,408	3,075	3,637
- Deferred tax assets not recognised during the year	4,075	1,352	-	-
- Utilisation of deferred tax assets previously not recognised	(611)	(576)	-	-
- Share of results in equity accounted investments	17,820	15,898	-	-
- Utilisation of reinvestment allowances	(1,444)	(1,492)	-	-
- Under/(Over)provision in previous financial years:				
- Current tax	184	(1,455)	-	(20)
- Deferred tax	1,004	(1,532)	-	-
- Differential in tax rates	(4,830)	(6,970)	-	-
Tax expense	20,595	18,301	189	44

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

10. TAX EXPENSE (CONT'D)

Malaysia Income Tax Act 1967

Domestic income tax is calculated at the statutory tax rate of 24% on the estimated assessable profit for the year.

Other Tax Jurisdictions

The subsidiary in the Lao People's Democratic Republic (Lao PDR) is exempted from income tax starting from the date of incorporation until 31 December 2025 (2024: 31 December 2025). A lower tax rate applies from 2026 to 2029 before subject to standard corporate income tax rate of 24% in Lao PDR from 2030.

The subsidiaries in the Kingdom of Cambodia are subjected to income tax rate of 20% on the estimated assessable profit for the year.

The subsidiary in the Republic of Maldives is subjected to income tax rate of 15% on the estimated assessable profit for the year.

The subsidiary in Singapore is subjected to income tax rate of 17% on the estimated assessable profit for the year.

11. OTHER COMPREHENSIVE (EXPENSES)/INCOME

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<u>Items that will be reclassified subsequently to profit or loss</u>				
Foreign currency translation:				
- Changes during the financial year	(248,373)	(70,850)	-	-
Share of associate's translation reserve	(841)	-	-	-
<u>Items that will not be reclassified subsequently to profit or loss</u>				
Fair value of equity instruments:				
- Net (losses)/gains during the financial year	(37,159)	(43,161)	177	(886)
Other comprehensive (expenses)/income	(286,373)	(114,011)	177	(886)

12. EARNINGS PER SHARE

	GROUP	
	2025	2024
Profit after tax for the financial year attributable to owners of the Company (RM'000)	386,973	459,178
Weighted average number of ordinary shares ('000):-		
Issued ordinary shares on 1 January	988,352	988,352
Effect of treasury shares held	(45,941)	(45,663)
Weighted average number of ordinary shares in issue	942,411	942,689
Basic earnings per share (sen)	41.06	48.71

12.1 The basic earnings per share is calculated by dividing the Group's profit after tax attributable to owners of the Company by the weighted average number of ordinary shares in issue after adjusting treasury shares held by the Company.

12.2 The diluted earnings per share is equal to the basic earnings per share as there is no outstanding dilutive equity instrument issued by the Company as at end of reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

13. SERVICE CONCESSION ASSETS

	GROUP	
	2025 RM'000	2024 RM'000
Cost		
At 1 January	2,610,518	2,296,836
Construction revenue recognised during the year	27,191	379,292
Translation differences	(243,186)	(65,610)
At 31 December	2,394,523	2,610,518
Accumulated Amortisation		
At 1 January	(434,862)	(356,790)
Amortisation during the financial year	(82,971)	(88,921)
Translation differences	44,586	10,849
At 31 December	(473,247)	(434,862)
Net carrying amount as at 31 December	1,921,276	2,175,656

Don Sahong Hydropower Project

On 13 February 2008, the Group had signed the Project Development Agreement with the Government of Lao PDR (Lao Government) to develop, build, own and operate the Don Sahong Hydropower Project in the Khong District, Champassak Province, Lao PDR.

On 15 September 2015, the Group entered into a Concession Agreement (CA) with Lao Government, whereby the Lao Government had granted on a build, operate and transfer basis, the concession rights to the Group for the development of the Don Sahong Hydropower Project. The Project is a 260 MW run-of-river hydropower project.

At the expiration of the concession period or upon the early termination of the CA under the terms of the CA, the Group shall transfer the Project Assets to the Lao Government, in accordance with the terms and conditions of the CA including the Group's obligations with respect to Prudent Utility Practices and in compliance with the Lao Government Law, together with all data and information required to be provided to the Lao Government.

On 1 October 2015, the Group entered into a Power Purchase Agreement (PPA) with Electricité Du Laos (EDL) for the sale by its subsidiary and the purchase by EDL of all electricity generated by the Project on a take-or-pay basis. The construction works on the Don Sahong Hydropower Project which commenced in the fourth quarter of 2015 was completed at the end of 2019 and operational since 7 January 2020.

The Group received a certificate from the Ministry of Energy and Mines of Laos confirming the Project has achieved the Commercial Operation Date (COD) on 1 October 2020 and the concession period ends on 30 September 2045, twenty-five (25) years after the COD.

Following the successful commissioning of the fifth turbine generator on 4 July 2024, the total generation capacity of DSHP has increased to 325 MW. In December 2024, the Group entered into a Supplemental Concession Agreement (SCA) with the Government of the Lao People's Democratic Republic (GOL) and a Supplemental Power Purchase Agreement (SPPA) with EDL. These agreements covered all five turbines of the DSHP, including the original four turbine and generator units.

Pursuant to the SCA and SPPA, the new concession period will span 25 years, commencing from the Final Commercial Operation Date (FCOD) of 1 January 2025 and end on 31 December 2049. The SPPA term has been revised to align with the new concession period.

During the dry season (November to May), EDL is obligated to purchase and pay for all available energy on a take-or-pay basis throughout the SPPA term. During the wet season (June to October), EDL will purchase and pay for energy availability of up to 955 GWh annually on a take-or-pay basis. For energy availability exceeding 955 GWh, EDL will purchase and pay based on actual energy dispatch. The levelised tariff remains unchanged at the previous rate of 6.15 US cents per kWh.

The Group has assessed the recoverable amount of the service concession asset and determined that no impairment is required.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

14. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold Land and Buildings RM'000	Plant and Machinery RM'000	Bearer Plants RM'000	Equipment, Vehicles and Construction- in-Progress RM'000	Total RM'000
Cost					
At 1 January 2024	128,658	643,408	101,112	121,944	995,122
Additions, restated (Note 39(a))	132,556	36,368	22,913	97,432	289,269
Disposals/Write-offs	(180)	(1,144)	(28)	(2,401)	(3,753)
Acquisition of subsidiaries (Note 37)	22,352	9,377	46,068	26,606	104,403
Transfer from Development Expenditures	-	344,003	-	-	344,003
Derecognised to profit or loss as construction costs	-	(344,003)	-	-	(344,003)
Transfer	1,664	15,034	-	(16,698)	-
Translation differences	(34)	(182)	(2,684)	(510)	(3,410)
At 31 December 2024/1 January 2025	285,016	702,861	167,381	226,373	1,381,631
Additions (Note 39(a))	15,401	14,747	15,352	146,627	192,127
Disposals/Write-offs	(1,590)	(5,820)	(8,393)	(1,927)	(17,730)
Transfer	64,942	15,624	-	(80,566)	-
Translation differences	(149)	(697)	(10,570)	(2,091)	(13,507)
At 31 December 2025	363,620	726,715	163,770	288,416	1,542,521
Accumulated Impairment Losses					
At 1 January 2024	(30)	(46,645)	-	-	(46,675)
Disposal	30	-	-	-	30
Acquisition of subsidiaries (Note 37)	-	-	-	(855)	(855)
At 31 December 2024/1 January 2025	-	(46,645)	-	(855)	(47,500)
Disposals	-	1,261	-	855	2,116
Write-back	-	5,940	-	-	5,940
Transfer to Accumulated Depreciation	-	35,508	-	-	35,508
At 31 December 2025	-	(3,936)	-	-	(3,936)
Accumulated Depreciation					
At 1 January 2024	(25,465)	(350,262)	-	(40,775)	(416,502)
Depreciation charges	(3,401)	(40,155)	(333)	(7,007)	(50,896)
Disposals/Write-offs	43	1,096	-	1,231	2,370
Acquisition of subsidiaries (Note 37)	(809)	(7,276)	(3,778)	(13,349)	(25,212)
Derecognised to profit or loss under construction costs	-	8,398	-	-	8,398
Translation differences	8	40	-	136	184
At 31 December 2024/1 January 2025	(29,624)	(388,159)	(4,111)	(59,764)	(481,658)
Depreciation charges	(5,862)	(33,347)	(2,848)	(7,389)	(49,446)
Disposals/Write-offs	1,322	3,995	965	1,026	7,308
Transfer from Accumulated Impairment Losses	-	(35,508)	-	-	(35,508)
Translation differences	36	201	29	564	830
At 31 December 2025	(34,128)	(452,818)	(5,965)	(65,563)	(558,474)
Net Book Value					
At 31 December 2025	329,492	269,961	157,805	222,853	980,111
At 31 December 2024	255,392	268,057	163,270	165,754	852,473

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

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

COMPANY	Bearer Plants RM'000	Equipment and Vehicles RM'000	Total RM'000
Cost			
At 1 January 2024	10,652	3,554	14,206
Additions (Note 39(a))	687	30	717
At 31 December 2024/1 January 2025	11,339	3,584	14,923
Additions (Note 39(a))	670	240	910
At 31 December 2025	12,009	3,824	15,833
Accumulated Depreciation			
At 1 January 2024	-	(2,951)	(2,951)
Depreciation charges	-	(211)	(211)
At 31 December 2024/1 January 2025	-	(3,162)	(3,162)
Depreciation charges	-	(213)	(213)
At 31 December 2025	-	(3,375)	(3,375)
Net Book Value			
At 31 December 2025	12,009	449	12,458
At 31 December 2024	11,339	422	11,761

Property, plant and equipment of the Group with net book value of RM559,102,000 (2024: RM400,920,000) have been charged as security for banking facilities granted to certain subsidiaries.

Included in the property, plant and equipment of the Group were plant and equipment with a total carrying amount of RM4,340,000 (2024: RM5,926,000) held under hire purchase arrangements.

Included in the Group's bearer plants are depreciation charges of RM700,000 (2024: RM1,199,000) capitalised during the financial year.

Included in the Group's construction-in-progress is interest expense of RM6,064,000 (2024: Nil) capitalised during current financial year.

15. WATER RIGHTS

	GROUP	
	2025 RM'000	2024 RM'000
Cost		
At 1 January	337,515	-
Addition	-	337,515
Translation differences	(31,258)	-
At 31 December	306,257	337,515
Accumulated Amortisation		
At 1 January	-	-
Amortisation during the financial year	(12,922)	-
Translation differences	671	-
At 31 December	(12,251)	-
Net carrying amount as at 31 December	294,006	337,515

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

15. WATER RIGHTS (CONT'D)

The Group (via DSPC) had made payment of RM337.52 million to the GOL for the water rights of DSHP (in lieu of its royalty obligation on annual energy generation up to 2,140 Gigawatt hours or GWh) covering the period from 1 January 2025 to 31 December 2049.

For energy generation exceeding 2,140 GWh, royalty is payable at the applicable rates specified in the SCA.

Accounting policies governing the water rights are detailed in Note 4.10.3 to the financial statements.

16. INVESTMENT PROPERTIES

	GROUP	
	2025 RM'000	2024 RM'000 Restated
Land and buildings, at fair value:-		
At 1 January	184,997	168,746
Acquisition of subsidiaries (Note 37)	-	24,245
Fair value gain/(loss) recognised in profit or loss (Note 7)	533	(7,994)
At 31 December	185,530	184,997

- (a) Certain investment properties of the Group are leased to customers under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods ranging from 1 to 3 (2024: 1 to 3) years and with an option that is exercisable by the customers to extend their leases, which are negotiated separately on a contract-by-contract basis.

The Group requires 1 (2024: 1) month advance rental payments from the customers. The leases do not include residual value guarantee and variable lease payments. As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows:-

	GROUP	
	2025 RM'000	2024 RM'000
Within 1 year	6,069	4,375
Between 1 and 2 years	4,396	2,665
Between 2 and 3 years	1,592	1,684
Later than 3 years	68	-
	12,125	8,724

- (b) Investment properties of subsidiaries with carrying value of approximately RM125,150,000 (2024: RM125,150,000) has been charged as security for credit facilities granted to the Company and certain subsidiaries.

- (c) The details of the Group's investment properties that are carried at fair values are analysed as follows:-

GROUP	Level 2 RM'000	Level 3 RM'000	Total RM'000
2025			
Leasehold land and buildings	60,189	125,341	185,530
2024			
Leasehold land and buildings	59,351	125,646	184,997

- (i) The level 2 fair value of the leasehold land and buildings has been derived using the market comparison approach with reference to sales price of comparable properties in close proximity, adjusted for differences in key attributes such as tenure, location, property size and market trends. The most significant input into this valuation approach is price per square foot of comparable properties. There has been no change to the valuation technique during the financial year. There were no transfers between level 1 and level 2 during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

16. INVESTMENT PROPERTIES (CONT'D)

(c) The details of the Group's investment properties that are carried at fair values are analysed as follows (Cont'd):-

(ii) The level 3 fair value of the leasehold land and buildings has been determined using a discounted cash flow approach based on the following significant unobservable inputs:-

Valuation techniques	Significant unobservable inputs	Relationship of unobservable input to Fair Value
Discounted cash flow approach which capitalises the actual or estimated rental income stream, net of projected operating costs, using discount rates derived from market yields.		The estimated fair value would increase/(decrease) if:
	(aa) Expected market rental rate (per square feet) ranging from RM2.84 to RM4.65.	(aa) Expected net rental income were higher/(lower).
	(bb) Discount rate represented by rental yield ranging from 4.89% to 8.2%.	(bb) Expected yield were lower/(higher).
	(cc) Void rate of 5%.	(cc) Rental void rate were lower/(higher).

(iii) The following table shows a reconciliation of level 3 fair value:-

	GROUP	
	2025 RM'000	2024 RM'000
At 1 January	125,646	133,545
Fair value loss recognised in profit or loss	(305)	(7,899)
At 31 December	125,341	125,646

The fair value measurements of the investment properties are based on the highest and best use which does not significantly differ from their actual use.

17. RIGHT-OF-USE ASSETS

GROUP	Leasehold Land, Farmland and Land Use Right RM'000	Office, Hostel, Shoplots, Plant and Equipment RM'000	Total RM'000
Cost			
At 1 January 2024	155,698	-	155,698
Additions (Note 39(a))	1,345	70	1,415
Acquisition of subsidiaries (Note 37)	4,960	551	5,511
Written off	(478)	(40)	(518)
Modification of lease liabilities	395	(43)	352
Translation differences	(156)	-	(156)
At 31 December 2024/1 January 2025	161,764	538	162,302
Additions (Note 39(a))	179	345	524
Modification of lease liabilities	637	52	689
Translation differences	(562)	-	(562)
At 31 December 2025	162,018	935	162,953

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

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

GROUP	Leasehold Land, Farmland and Land Use Right RM'000	Office, Hostel, Shoplots, Plant and Equipment RM'000	Total RM'000
<u>Accumulated Depreciation</u>			
At 1 January 2024	(37,652)	-	(37,652)
Depreciation charges	(4,715)	(200)	(4,915)
Acquisition of subsidiaries (Note 37)	(361)	(151)	(512)
Written off	465	20	485
Modification of lease liabilities	(300)	(141)	(441)
Translation differences	16	-	16
At 31 December 2024/1 January 2025	(42,547)	(472)	(43,019)
Depreciation charges	(4,554)	(296)	(4,850)
Translation differences	63	-	63
At 31 December 2025	(47,038)	(768)	(47,806)
<u>Accumulated Impairment Losses</u>			
At 31 December 2024/2025	(1,734)	-	(1,734)
<u>Net Book Value</u>			
At 31 December 2025	113,246	167	113,413
At 31 December 2024	117,483	66	117,549

In the previous financial year, depreciation of RM177,000 was capitalised in relation to development costs of bearer plants, as recorded in Property, Plant and Equipment.

COMPANY	Leasehold Land and Land Use Right RM'000
<u>Cost</u>	
At 31 December 2024/2025	13,654
<u>Accumulated Depreciation</u>	
At 1 January 2024	(3,122)
Depreciation charges	(323)
At 31 December 2024/1 January 2025	(3,445)
Depreciation charges	(322)
At 31 December 2025	(3,767)
<u>Net Book Value</u>	
At 31 December 2025	9,887
At 31 December 2024	10,209

The Group owns some leasehold land, farmland and has land use rights on certain pieces of land through various agreements (which are non-cancellable operating lease in nature). The land has a remaining lease/right of use period (from the date of purchase) ranging between 3 to 99 years.

The leasehold land and land use right of the Group with net book value of approximately RM40,783,000 (2024: RM41,339,000) are pledged as security for bank borrowings of certain subsidiaries as disclosed in Notes 30 and 33 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

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

Mondulkiri Development Project

- (a) On 31 July 2013, the Company obtained approval from the Royal Government of Cambodia for the concession of a plot of land measuring 9,477 hectares situated in the Namlear Wildlife Sanctuary Zone, Mondulkiri Province, Kingdom of Cambodia primarily for agricultural development and cultivation (the ELC Agreement). The originally granted area is gross and inclusive of the relevant protected area, land reserved for public infrastructure, and land parcels affected by authorised occupation by the local villagers.
- (b) On 9 February 2018, Mega First Plantation (Cambodia) Ltd, a 100% owned subsidiary of the Company, entered into an amendment to the ELC Agreement with the Ministry of Agriculture, Forestry and Fisheries, whereby the size of the land in the ELC Agreement has been revised to the registered land area of 6,419.93 hectares and the term of the concession has been reduced from 90 years to 50 years, commencing from 29 April 2013.

In the current financial year, the Group carried out a review of the recoverable amount of right-of-use assets and determined that no impairment is required in current financial year.

18. SUBSIDIARIES

	COMPANY	
	2025 RM'000	2024 RM'000
i) <u>Unquoted ordinary shares in Malaysia</u>		
At cost:-		
At 1 January	1,734,245	1,651,209
Additions	61,730	83,036
Derecognised upon liquidation	(20,044)	-
Realisation through offset against amount owing to liquidation subsidiary	(15,924)	-
	1,760,007	1,734,245
Less: Accumulated impairment losses:-		
At 1 January	(360,696)	(360,696)
Write-back (Note 7)	6,389	-
Derecognised upon liquidation	20,044	-
	(334,263)	(360,696)
At 31 December	1,425,744	1,373,549
ii) <u>Unquoted equity shares outside Malaysia</u>		
At cost:-		
At 1 January	140,815	119,724
Additions	22,617	21,091
At 31 December	163,432	140,815
iii) <u>Unquoted preference shares in Malaysia</u>		
At cost:-		
At 1 January	15,000	-
Additions	-	15,000
At 31 December	15,000	15,000
Net carrying amount as at 31 December	1,604,176	1,529,364

- (a) The subsidiaries are listed in Note 42 to the financial statements.
- (b) During the current financial year, the Company has subscribed for or purchased additional ordinary shares in several of its wholly-owned subsidiaries for cash consideration of RM42,366,250 (2024: RM68,204,680) and by way of capitalising RM41,980,841 (2024: RM35,922,204) advances made to such subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

18. SUBSIDIARIES (CONT'D)

(c) The non-controlling interests (NCI) at the end of the reporting period comprised the following:-

	Effective Equity Interest Held by NCI		GROUP	
	2025 %	2024 %	2025 RM'000	2024 RM'000
Mega Ventures Limited (MVL)	25.0	25.0	29,903 ^{#1}	42,465 ^{#1}
Don Sahong Power Company Ltd. (DSPC)	5.0	5.0	^{#2}	^{#2}
Stenta Films (Malaysia) Sendirian Berhad and its subsidiary (Stenta Group)	25.0	25.0	51,564	49,866
CSC Agriculture Holdings Sdn. Bhd. (CSC Group)	60.0	60.0	42,185	46,324
Idaman Harmoni Sdn. Bhd. (IHSB)	25.0	25.0	22,613	22,124
Other subsidiaries			59,756	59,151
			206,021	219,930

^{#1} - Included share of 5% effective equity interest in DSPC.

^{#2} - The impact of effective equity interest held by the Group in DSPC is subsumed within carrying amount of MVL's non-controlling interests.

(d) The summarised financial information (before intra-group elimination) for subsidiaries that have non-controlling interests and are material to the Group is as follows:-

	MVL ^{#1} RM'000	DSPC RM'000	Stenta Group RM'000	IHSB RM'000	CSC Group RM'000
At 31 December 2025					
Non-current assets	169,810	2,378,823	159,065	107,476	118,717
Current assets	24,266	230,851	147,212	2,729	18,192
Non-current liabilities	-	(1,363,328)	(35,073)	(7,396)	(39,622)
Current liabilities	(74,464)	(397,294)	(63,538)	(12,778)	(19,176)
Net assets	119,612	849,052	207,666	90,031	78,111
Financial year ended 31 December 2025					
Revenue	-	607,995	237,554	5,813	85,066
Profit/(Loss) after tax	66,399	368,737	14,788	1,818	(6,609)
Total comprehensive income/(expenses)	56,284	307,445	14,788	1,818	(6,916)
Total comprehensive income/(expense) attributable to non-controlling interests	14,071 ^{#1}	^{#2}	3,698	490	(4,138)
Dividends paid to non-controlling interests	(26,632)	[^]	(2,000)	-	-
Net cash flows (for)/from operating activities	(23)	667,202	36,178	1,301	7,480
Net cash flows from/(for) investing activities	189,440	(29,554)	(10,856)	691	(10,547)
Net cash flows for financing activities	(189,482)	(622,044)	(34,000)	(1,489)	(3,693)

^{#1} - Included share of 5% effective equity interest in DSPC.

^{#2} - The impact of effective equity interest held by the Group in DSPC is subsumed within total comprehensive income attributable to non-controlling interests of MVL.

[^] - Excluded dividends paid to companies within the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

18. SUBSIDIARIES (CONT'D)

- (d) The summarised financial information (before intra-group elimination) for subsidiaries that have non-controlling interests and are material to the Group is as follows (Cont'd):-

	MVL ^{#1} RM'000	DSPC RM'000	Stenta Group RM'000	IHSB RM'000	CSC Group RM'000
At 31 December 2024					
Non-current assets	253,352	2,453,379	149,780	107,378	113,266
Current assets	80,620	597,535	142,299	26,528	29,600
Non-current liabilities	(82,051)	(1,641,244)	(43,368)	(8,392)	(36,009)
Current liabilities	(82,063)	(142,780)	(47,833)	(38,297)	(21,497)
Net assets	169,858	1,266,890	200,878	87,217	85,360
Financial year ended 31 December 2024					
Revenue	-	1,009,464	227,272	5,673	50,562 ^{#3}
Profit/(Loss) after tax	70,914	429,189	19,262	(5,871)	(2,171) ^{#3}
Total comprehensive income/(expenses)	61,316	343,351	19,262	(5,871)	(2,410) ^{#3}
Total comprehensive income/(expenses) attributable to non-controlling interests	15,329 ^{#1}	^{#2}	3,960	(1,573)	(1,446) ^{#3}
Dividends paid to non-controlling interests	(12,975)	[^]	(2,000)	-	^{#3}
Net cash flows (for)/from operating activities	(293)	433,468	15,186	333	1,312 ^{#3}
Net cash flows from/(for) investing activities	155,597	(443,577)	(59,068)	1,587	(4,489) ^{#3}
Net cash flows (for)/from financing activities	(156,724)	(258,653)	27,156	(2,637)	(1,078) ^{#3}

^{#1} -Included share of 5% effective equity interest in DSPC.

^{#2} -The impact of effective equity interest held by the Group in DSPC is subsumed within total comprehensive income attributable to non-controlling interests of MVL.

^{#3} -For the 7-months period ended 31 December 2024.

[^] -Excluded dividends paid to companies within the Group

19. JOINT VENTURES

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<u>Unquoted shares in Malaysia</u>				
At cost:-				
At 1 January	45,000	20,000	45,000	20,000
Additions	75,000	25,000	-	25,000
	120,000	45,000	45,000	45,000
Share of post-acquisition cumulative (loss)/profits	(18,307)	59,545	-	-
At 31 December	101,693	104,545	45,000	45,000

The details of the joint ventures are as follows:-

Company	Principal Activities	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held	
			2025 %	2024 %
Edenor Technology Sdn. Bhd. (Edenor)	Investment holding	Malaysia	50	50
Merchant Commodities Pty. Ltd. (MC)	Dormant	Australia	50	50

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

19. JOINT VENTURES (CONT'D)

Edenor and its subsidiaries (collectively known as Edenor Group) are involved in the oleochemical and specialty chemical operations in Malaysia.

The Group's joint arrangements are structured through separate entities which provide the Group rights to the net assets of the entities. Accordingly, the Group has classified the investments in Edenor Group and MC as joint venture.

- (a) The summarised financial information (after fair value adjustment at acquisition date) for joint ventures which is material to the Group is presented below:-

	EDENOR GROUP	
	2025	2024
	RM'000	RM'000
At 31 December		
Non-current assets:		
- Property, plant and equipment	394,814	419,481
- Right-of-use assets	1,647	1,984
- Intangible assets	747	1,896
Current assets:		
- Inventories	274,526	256,783
- Receivables, deposits and prepayments	83,020	116,176
- Bank balances and deposits	15,843	19,500
Non-current liabilities:		
- Deferred tax liabilities	(27,254)	(31,481)
- Lease liabilities	(10,779)	-
Current liabilities:		
- Bank borrowings	(461,525)	(407,328)
- Payables and other liabilities	(108,255)	(136,311)
Non-controlling interests	(24,398)	(31,610)
Net assets	138,386	209,090
Financial year ended 31 December		
Revenue	939,557	805,085
Interest income	164	188
Depreciation and amortisation	(38,890)	(36,469)
Interest expense	(19,038)	(15,436)
Loss before tax	(168,635)	(135,835)
Tax reversal	2,905	3,230
Loss after tax	(165,730)	(132,605)
Loss after tax less non-controlling interests	(155,704)	(130,118)
Total comprehensive expenses	(155,704)	(130,118)
Group's share of loss after tax/total comprehensive expenses	(77,852)	(65,059)
Carrying Amount		
Group's share of net assets and long-term interests in Edenor Group	101,693	104,545

- (b) The Group's commitment in respect of the joint ventures is as follows:-

	GROUP/COMPANY	
	2025	2024
	RM'000	RM'000
Financial guarantee contracts in relation to corporate guarantees given to a subsidiary of the joint venture*	446,632	399,881
Share of capital commitment	9,128	3,465

*- represent the outstanding debts of a joint venture's subsidiary as at end of reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

19. JOINT VENTURES (CONT'D)

- (c) The summarised financial information for MC is not presented as the losses MC sustained has exceeded the Group's interest in this joint venture. The Group's cumulative share of unrecognised loss at the end of the reporting period was approximately RM3,465,000 (2024: RM3,552,000) as it has no obligation in respect of these losses.

20. ASSOCIATES

	GROUP	
	2025 RM'000	2024 RM'000
Unquoted shares in Malaysia, at cost:		
- At 1 January	69,170	21,170
- Additions	12,427	48,000
- At 31 December	81,597	69,170
Share of post-acquisition reserves recognised in:		
- Cumulative profit/(losses)	3,317	(283)
- Other reserve	(841)	-
- Dividend received	(900)	-
	83,173	68,887

The details of the associates incorporated in Malaysia are as follows:-

Company	Principal Activities	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held	
			2025 %	2024 %
Apex Power Industry Sdn. Bhd. (Apex)	Investment holding	Malaysia	30.0	30.0
Asset 1 Land Sdn. Bhd. (Asset 1)	Investment holding	Malaysia	30.0	30.0
Integrated Smart Technologies Sdn. Bhd. (IST)	Investment holding	Malaysia	28.8	28.8
iRadar Sdn. Bhd.	Research, design and development in relation to radar and provision of consultancy and training services	Malaysia	20.0	20.0
Golden Blue Capital Sdn. Bhd.	Investment holding	Malaysia	40.0	40.0
Chiwadi Products Co., Ltd.	Manufacture and sale of coconut flower nectar-based natural and organic products	Thailand	30.0	-

The subsidiary of Apex is involved in the manufacturing a wide range of products, and engineering services to the generation, transmission and distribution sectors of the electrical power industry.

Asset 1's subsidiaries are involved in the businesses as operator of lifestyle community centre and educational institution.

Subsidiaries of IST are involved in the manufacturing of automated assembly and test machines in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

20. ASSOCIATES (CONT'D)

- (a) The summarised financial information (after fair value adjustment at acquisition date) for associate which is material to the Group is presented below:-

	APEX GROUP	
	2025 RM'000	2024 RM'000
At 31 December		
Non-current assets:		
- Property, plant and equipment	41,707	42,474
- Intangible asset	1,770	4,546
Current assets:		
- Inventories	42,811	38,734
- Receivables, deposits and prepayments	32,939	32,210
- Bank balances and deposits	9,678	8,921
Non-current liabilities:		
- Deferred tax liabilities	(5,132)	(5,877)
- Bank borrowings	(1,654)	(1,817)
Current liabilities:		
- Payables and accruals	(21,014)	(27,045)
- Current tax liabilities	(272)	(1,156)
Net assets	100,833	90,990
	2025 RM'000	2024[^] RM'000
Financial year/period ended 31 December		
Revenue	136,896	9,852
Interest income	699	34
Depreciation and amortisation	(5,261)	(324)
Interest expense	(584)	(46)
Profit before tax	15,660	1,696
Tax expense	(2,817)	(363)
Profit after tax/Total comprehensive income	12,843	1,333
Group's share of profit after tax/total comprehensive income	3,853	400
Ordinary dividend received	900	-
Reconciliation of Net Assets to Carrying Amount		
Group's share of net assets	30,250	27,297
Goodwill	21,103	21,103
Carrying amount of the Group's interests in Apex Group	51,353	48,400

[^] - 1-month result

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

20. ASSOCIATES (CONT'D)

- (b) The summarised financial information for other associates that are individually immaterial to the Group is as follows:-

	Other individually immaterial associates	
	2025 RM'000	2024 RM'000
Financial year ended 31 December		
Group's share of loss for the financial year	(253)	(1,583)
Group's share of total comprehensive expenses	(1,094)	(1,583)
Preference dividend receivable	220	-
Aggregate carrying amount of the Group's interests in immaterial associates	31,820	20,487

- (c) The Group's commitment in respect of an associate is as follows:-

	GROUP/COMPANY	
	2025 RM'000	2024 RM'000
Financial guarantee contracts in relation to corporate guarantees given to an associate*	20,064	19,010

*- represent the outstanding credit facilities of an associate as at end of reporting period.

21. INVESTMENTS IN QUOTED AND UNQUOTED SHARES

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Equity investments, at fair value:				
- Quoted shares	50,499	87,351	753	576
- Unquoted shares	686	669	-	-
	51,185	88,020	753	576

The Group designated its investments in quoted and unquoted shares to be measured at fair value through other comprehensive income because the Group intends to hold the investments for long-term.

22. GOODWILL ON CONSOLIDATION

	GROUP	
	2025 RM'000	2024 RM'000
Cost:-		
At 1 January	57,927	54,673
Additions (Note 37)	-	4,244
Recognised in profit or loss (Note 7)	-	(990)
At 31 December	57,927	57,927

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

22. GOODWILL ON CONSOLIDATION (CONT'D)

The carrying amount of goodwill allocated to cash-generating unit (CGU) is as follows:-

	GROUP	
	2025 RM'000	2024 RM'000
Packaging segment	49,101	49,101
Others	8,826	8,826
	57,927	57,927

The Group has assessed the recoverable amounts of goodwill allocated and determined that no impairment is required. The recoverable amounts of the cash-generating units are determined using value-in-use approach which is derived from the present value of the future cash flows from the operating segments computed based on the financial projections approved by management covering period of 1 year. The key assumptions used in the determination of the recoverable amount of goodwill arising from the packaging segment is as follows:-

	Average Gross Margins		Average Sales Growth Rates		Discount Rates	
	2025	2024	2025	2024	2025	2024
Packaging segment	13%	16%	28%	49%	8.0%	7.6%

Average gross margin is determined by management based on past experience. Growth rates are based on expected projected growth rates of the packaging segment. Discount rates (pre-tax) reflects risks of the businesses.

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating units and are based on both external sources and internal historical data.

23. INVENTORIES

	GROUP	
	2025 RM'000	2024 RM'000
Non-Current		
(i) <u>Land held for property development</u>		
- Freehold land	3,093	3,093
- Leasehold land	24,141	24,141
	27,234	27,234
(ii) <u>Property development costs</u>	12,932	12,932
	40,166	40,166
Current		
(iii) <u>Completed properties for sale</u>	9,238	9,238
(iv) <u>Other inventories</u>		
- Finished goods, work-in-progress and goods-in-transit	37,628	36,191
- Materials	89,478	119,270
- Spare parts and consumables	31,895	21,197
	159,001	176,658
	168,239	185,896
Recognised in profit or loss		
Inventories recognised as cost of sales	669,862	584,984
Write-down/(Writeback) in value of inventories	1,771	(30)
Inventories written off	1,601	44

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

24. RECEIVABLES

	Note	GROUP		COMPANY	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current					
Long-term receivable from EDL	24.1	224,636	282,931	-	-
Less: Expected credit loss					
- At 1 January		(1,621)	-	-	-
- Additions	6	-	(1,621)	-	-
- Translation differences		151	-	-	-
- At 31 December		(1,470)	(1,621)	-	-
		223,166	281,310	-	-
Less: Current portion of long-term receivable		(32,091)	(35,366)	-	-
Non-current portion of the long-term receivable		191,075	245,944	-	-
Current					
a) Trade receivables	24.2.1	205,102	283,261	-	-
b) Other receivables:					
- Current portion of long-term receivable		32,091	35,366	-	-
- Others	24.2.2	6,762	11,435	298	1,006
c) Amount owing by subsidiaries	24.2.3	-	-	23,873	24,507
		243,955	330,062	24,171	25,513

24.1 Long-term receivable

The Group has entered into an agreement with EDL in December 2024 that EDL will settle overdue trade balance owed to the Group on monthly instalment basis and with financing charge of 6.50% per annum, over repayment period of 8 years, beginning 1 January 2025.

24.2.1 Trade receivables

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Gross amount	210,397	289,462	-	-
Less: Allowance for impairment losses				
- At 1 January	(6,201)	(85,415)	-	-
- Additions (Note 6)	(2,209)	(8,954)	-	-
- Writeback (Note 6)	1,732	317	-	-
- Acquisition of subsidiaries	-	(1,643)	-	-
- Write-offs	1,378	89,278	-	-
- Translation differences	5	216	-	-
- At 31 December	(5,295)	(6,201)	-	-
	205,102	283,261	-	-

The credit periods granted for trade receivables ranging from 21 to 120 (2024: 21 to 120) days.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

24. RECEIVABLES (CONT'D)

24.2.2 Other receivables

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Gross amount	8,147	12,719	1,000	1,745
Less: Allowance for impairment losses				
- At 1 January	(1,284)	(1,272)	(739)	(739)
- Additions (Note 6)	(182)	(12)	-	-
- Write-offs	-	-	17	-
- Writeback (Note 6)	80	-	20	-
- Translation differences	1	-	-	-
- At 31 December	(1,385)	(1,284)	(702)	(739)
	6,762	11,435	298	1,006

24.2.3 Amount owing by subsidiaries

	COMPANY	
	2025 RM'000	2024 RM'000
Gross amount	24,031	24,665
Less: Allowance for impairment losses	(158)	(158)
	23,873	24,507

The amount owing by subsidiaries is non-trade in nature, interest-free, unsecured and receivable on demand except for a principal sum of approximately RM13,722,000 (2024: RM12,834,000) which bears interest rate of 3.30% (2024: 3.30%) per annum. The amount owing is to be settled in cash.

25. OTHER CURRENT ASSETS

	Note	GROUP		COMPANY	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Refundable deposits		5,573	6,120	183	188
Prepayments and non-refundable deposits	25.1	31,889	31,161	506	285
Contract cost assets	25.2	4,160	16,084	-	-
Contract assets	25.3	15,572	4,749	-	-
Current tax assets		1,955	3,598	-	27
		59,149	61,712	689	500

25.1 Prepayment and non-refundable deposits

Included in the prepayments and non-refundable deposits of the Group in the previous financial year was RM12,126,000 downpayment paid for future purchase of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

25. OTHER CURRENT ASSETS (CONT'D)

25.2 Contract cost assets

Contract cost assets comprised mainly the construction costs of solar photovoltaic systems in Maldives of RM2,139,000 (2024: RM14,185,000).

In current financial year, interest expenses of approximately RM1,519,000 (2024: RM805,000) was incurred in relation to the construction of solar assets and capitalised in the contract cost assets.

Total amount of capital contracts costs of RM21,510,000 (2024: RM16,274,000) was incurred during the financial year.

25.3 Contract assets

The contract assets mainly relate to the Group's right to consideration for work performed to develop solar photovoltaic systems but not yet billed as at the reporting date. In relation to this, construction revenue of approximately RM12,242,000 (2024: RM3,955,000) was recognised during current financial year.

26. BANK BALANCES AND DEPOSITS

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances	178,517	112,460	30,117	4,874
Deposits with financial institutions	286,927	155,180	-	-
Housing Development Accounts	689	680	-	-
	466,133	268,320	30,117	4,874

The deposits with financial institutions of the Group earn interest at rates ranging from 1.00% to 3.90% (2024: 0.05% to 4.40%) per annum. The deposits have maturity periods ranging from 15 to 365 days (2024: 30 to 365 days).

The Housing Development Accounts are maintained by certain subsidiaries in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act 1966. These accounts consist of monies received from purchasers to be utilised for property development projects after which, the surplus monies, if any, will accrue to the said subsidiaries upon the completion of the property development projects.

Included in bank balances and deposits of the Group are RM28,834,000 (2024: RM28,594,000) deposits pledged to financial institutions as security for banking facilities granted to certain subsidiaries as disclosed in Notes 30 and 33 to the financial statements.

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Bank balances and deposits	466,133	268,320	30,117	4,874
Bank overdrafts (Note 33)	(1,057)	-	-	-
Less: Deposits pledged to financial institutions or with original maturity period of more than 3 months	(31,854)	(39,916)	-	-
	433,222	228,404	30,117	4,874

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

27. SHARE CAPITAL

	GROUP/COMPANY			
	Number of Shares		Amount	
	2025 '000	2024 '000	2025 RM'000	2024 RM'000
Ordinary Shares				
At 1 January/31 December	988,352	988,352	743,121	743,121

- (i) The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.
- (ii) Of the total 988,352,102 (2024: 988,352,102) issued and fully paid-up ordinary shares as at 31 December 2025, 46,147,800 (2024: 45,810,600) ordinary shares were held as treasury shares by the Company. The number of outstanding ordinary shares in issue as at 31 December 2025 was therefore 942,204,302 (2024: 942,541,502).

28. TREASURY SHARES

	GROUP/COMPANY			
	Number of Shares		Amount	
	2025 '000	2024 '000	2025 RM'000	2024 RM'000
At 1 January	45,811	45,593	46,473	45,517
Purchase of shares	337	218	1,212	956
At 31 December	46,148	45,811	47,685	46,473

During the financial year, the Company purchased 337,200 (2024: 218,000) of its issued ordinary shares from the open market at an average price of approximately RM3.59 (2024: RM4.39) per share for a total consideration (including transaction costs) of RM1,212,000 (2024: RM956,000). These shares are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016. None of the treasury shares were resold or cancelled during the financial year.

Treasury shares have no rights to voting, dividends and participation in any other distribution. Treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, take-overs, notices, the requisition of meeting, the quorum for a meeting and the result of a vote on a resolution at a meeting.

29. OTHER NON-DISTRIBUTABLE RESERVES

		GROUP		COMPANY	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other Non-distributable reserves					
Translation reserve	29.1	(166,260)	71,510	-	-
Fair value reserve	29.2	(8,357)	28,802	(2,346)	(2,523)
Capital reserve	29.3	27,394	27,394	-	-
Other reserve	29.4	(88,556)	(88,556)	(88,556)	(88,556)
		(235,779)	39,150	(90,902)	(91,079)

29.1 Translation reserve

The translation reserve arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency. This reserve is not distributable by way of dividends.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

29. OTHER NON-DISTRIBUTABLE RESERVES (CONT'D)

29.2 Fair value reserve

The fair value reserve represents the cumulative fair value changes (net of tax, where applicable) of fair value through other comprehensive income financial assets until they are disposed of. This reserve is not distributable by way of dividends.

29.3 Capital reserve

The capital reserve relates to compulsory legal reserve created in accordance with the Law on Enterprise (Revision) No. 33/NA in the Lao PDR whereby the subsidiary company in Lao PDR is required to provide compulsory legal reserve at the rate 10% of profit after deducting accumulated losses, subject to a 50% limit of the subsidiary company's registered capital. The legal reserve of the subsidiary company must be utilised only for offsetting the loss result.

29.4 Other reserve

Other reserve relates to put option agreement entered by the Company with the minority shareholders of Stenta Group which give rise to an obligation by the Company to purchase Stenta's equity interest held by the minority interest, as detailed in Note 32 to the financial statements.

30. LONG-TERM BORROWINGS

The Group's long-term borrowings are analysed as follows:-

	GROUP	
	2025 RM'000	2024 RM'000
<u>Unsecured:</u>		
Term loan from a major shareholder	162,440	313,285
Term loan with financial institution	42,469	20,202
<u>Secured:</u>		
Other term loans with financial institutions	480,516	494,644
	685,425	828,131
Less: Current liabilities (Note 33)	(310,714)	(297,207)
	374,711	530,924

Term loan from a major shareholder

The term loan was to part finance the Don Sahong Hydropower Project. The loan is unsecured, bears floating interest rate determined with reference to Secured Overnight Financing Rate (SOFR) plus margin of 2.20% to 2.45% and is repayable (on a quarterly basis) over the financing tenure of 6 years from the date of first disbursement.

Other term loans with financial institutions

The interest rate of other term loans ranging from 2.00% to 6.45% (2024: 2.00% to 7.20%) per annum, and are secured by:-

- Legal charges over properties, land and machineries of certain subsidiaries, as disclosed in Notes 14, 16 and 17 to the financial statements;
- Debentures covering fixed and floating charges over all present and future assets of certain subsidiaries;
- Legal charge over bank accounts of certain subsidiaries;
- A pledge of certain subsidiaries' deposit accounts with financial institutions, as disclosed in Note 26 to the financial statements;
- Corporate guarantee given by the Company and certain of its subsidiaries;
- Joint and several guarantees given by certain directors of certain subsidiaries of the Company;
- Government Guarantee Schemes for business financing;
- Guarantee by Credit Guarantee Corporation;
- Properties owned by certain subsidiaries' directors;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

30. LONG-TERM BORROWINGS (CONT'D)

Other term loans with financial institutions (Cont'd)

- (j) Assignment of life insurance policies under name of certain subsidiaries' directors;
- (k) A negative pledge by a subsidiary; and
- (l) Power of Attorney over certain ordinary shares of a subsidiary.

31. DEFERRED TAX LIABILITIES

The movement of net deferred tax liabilities during the financial year is analysed as follows:-

	GROUP	
	2025	2024
	RM'000	RM'000
At 1 January	133,853	124,022
Acquisition of subsidiaries	-	9,370
Recognised in profit or loss (Note 10)	3,385	2,533
Effect of foreign exchange translation	(7,567)	(2,072)
At 31 December	129,671	133,853

The net deferred tax liabilities represent the tax effects of:-

	GROUP	
	2025	2024
	RM'000	RM'000
Service concession asset	75,566	78,826
Property, plant and equipment and non-current inventories	58,539	60,796
Fair value gain on investment properties	9,641	9,537
Provisions	(4,525)	(4,245)
Unabsorbed capital allowances	(9,474)	(9,715)
Others	(76)	(1,346)
	129,671	133,853

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	GROUP	
	2025	2024
	RM'000	RM'000
		Restated
Unutilised tax losses, expires in year of assessment:		
- expiring within 5 years	108,170	107,058
- expiring within 6 to 10 years	22,459	16,059
Unabsorbed capital allowances	27,744	23,497
Other deductible temporary differences	(1,557)	(4,242)
	156,816	142,372

As at 31 December 2025 subject to agreement with the Inland Revenue Board, the Group has unutilised reinvestment allowances of approximately RM14,830,000 (2024: RM13,701,000) available to be carried forward to be offset against future taxable income.

The Malaysia Finance Act 2021 has been gazetted on 31 December 2021 and take effect on 1 January 2023 which concludes time limit for carrying forward unutilised business losses has been extended from seven (7) to a maximum period of ten (10) consecutive Year of Assessment (YA), from YA2019 i.e. unutilised business losses previously carried forward up to YA2018 can now be carried forward up to YA2028.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

31. DEFERRED TAX LIABILITIES (CONT'D)

Based on the current legislation in Malaysia, the unabsorbed reinvestment allowances are allowed to be utilised for 7 consecutive years of assessment, whereas the unabsorbed capital allowances and unabsorbed investment tax allowances are allowed to be carried forward indefinitely.

The unused tax losses of the subsidiaries in the Kingdom of Cambodia and the Republic of Maldives in any year of assessment can only be carried forward for a maximum period of 5 consecutive years of assessment immediately following that year of assessment.

32. PUT OPTION LIABILITY

	GROUP/COMPANY	
	2025 RM'000	2024 RM'000
At 1 January	69,220	70,759
Recognised in profit or loss (Note 7)	(4,454)	(1,539)
At 31 December	64,766	69,220

The Company entered into a Put Option Agreement with the non-controlling interests of Stenta Group whereby the non-controlling interests have the right to require the Company to buy their equity interest in Stenta Group in accordance to the terms of the Put Option Agreement.

The obligation by the Company to purchase Stenta Group's equity interest held by the non-controlling interests is initially recognised as put option liability with a corresponding charge direct to equity (classified as Other Reserve). Subsequent to the initial recognition, the put option will be remeasured at fair value and any changes in fair value is recognised in profit or loss.

The Put Option Agreement has been terminated on 6 February 2026 and unexercised portion (after considered Additional Investment as detailed in Note 47 to the financial statements) of the liability will be derecognised in the financial year ending 31 December 2026, with a corresponding adjustment to equity.

33. SHORT-TERM BORROWINGS

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revolving credits:				
- Secured	126,795	156,883	105,000	105,000
- Unsecured	146,400	110,500	124,000	75,000
	273,195	267,383	229,000	180,000
Term loans (Note 30):				
- Secured	142,852	118,187	-	-
- Unsecured	167,862	179,020	-	-
	310,714	297,207	-	-
Trade financing and loans:				
- Secured	71,136	50,926	-	-
Bank overdrafts				
- Secured	1,057	-	-	-
	656,102	615,516	229,000	180,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

33. SHORT-TERM BORROWINGS (CONT'D)

The effective interest rates of the short-term borrowings (other than term loans as disclosed in Note 30 to the financial statements), are as follows:-

- (a) The revolving credits of the Group bear interest rates ranging from 3.67% to 4.60% (2024: 3.98% to 5.00%) per annum whereas the Company's revolving credits bear interest rates ranging from 3.67% to 3.88% (2024: 4.00% to 4.17%) per annum.
- (b) The trade financing and loans of the Group bear interest rates ranging from 3.33% to 4.81% (2024: 3.65% to 5.44%) per annum.
- (c) The bank overdrafts of the Group bear interest rates ranging from 6.40% to 7.10% (2024: Nil) per annum.

Short-term borrowings are secured by certain collaterals relating to term loans as detailed in Note 30 to the financial statements.

34. PAYABLES

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current				
Provision for retirement benefits	633	636	-	-
Deferred income	6,130	1,535	-	-
	6,763	2,171	-	-
Current				
Trade payables	75,699	136,328	-	-
Other payables and accruals:				
- Other payables	19,383	22,518	93	93
- Accruals	59,829	47,778	2,328	2,870
	79,212	70,296	2,421	2,963
Deferred income	5,942	4,113	4,730	4,969
Current tax liabilities	1,920	2,258	62	-
Amount owing to subsidiaries	-	-	87,940	147,147
	162,773	212,995	95,153	155,079

The credit period granted to the Group's trade payables ranging from 30 to 120 (2024: 30 to 120) days.

Included in trade payables in the previous financial year was RM57,933,000 owed to contractors and suppliers in relation to construction of fifth turbine.

Included in deferred income of the Group and of the Company is an amount of RM4,730,000 (2024: RM4,969,000) in respect of Feasibility Study Grant received from Malaysia External Trade Development Corporation for the Group's power project, in the form of reimbursement of approved actual expenses. Deferred income is recognised in profit or loss over the concession period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

34. PAYABLES (CONT'D)

A subsidiary of the Group operates an unfunded, non-contributory defined benefit retirement scheme (the Scheme) for its eligible employees. Under the Scheme, eligible employees are entitled to retirement contribution at agreed basis for each completed year of service on attainment of the retirement age of 60, without cessation of employment prior to age 60. The movement of provision for retirement benefits is as follows:-

	GROUP	
	2025 RM'000	2024 RM'000
At 1 January	636	588
Recognised in profit or loss:		
- Current service cost	36	36
- Interest cost	12	12
- Payment	(51)	-
At 31 December	633	636

The principal assumptions used in computing the estimated contributions based on the Projected Unit Credit Method are as follows:-

	GROUP	
	2025	2024
Discount rate	4%	4%
Expected rate of salary increases	7%	7%

The amount owing to subsidiaries is non-trade in nature, interest-free, unsecured and repayable on demand except for a principal sum of approximately RM75,535,000 (2024: RM119,675,000) which bears interest rate of 3.30% (2024: 3.30% to 4.31%). The amount owing is to be settled in cash.

35. NET ASSETS PER ORDINARY SHARE

The net assets per ordinary share have been calculated based on the Group's shareholders' funds as at the end of reporting period of approximately RM3,348,184,000 (2024: RM3,324,524,000) on 942,204,302 (2024: 942,541,502) outstanding ordinary shares in issue, net of treasury shares.

36. PURCHASE OF ADDITIONAL EQUITY INTEREST IN SUBSIDIARY

In the previous financial year, the Group increased its equity interest in Idaman Harmoni Sdn Bhd (IHSB) by purchasing 10,000 ordinary shares, representing 10% equity interest in IHSB for a consideration of RM6,378,515. Following this shares purchase, the Company's effective equity interest in IHSB increased from 65% to 75%.

The following summarises the effect of acquiring additional equity interests in the above subsidiary that is attributable to the owners of the Company:-

	GROUP	
	2025 RM'000	2024 RM'000
Consideration paid for acquisition of additional equity interests	-	6,379
Proportionate share of net assets acquired from non-controlling interests	-	(9,382)
Effect of increase in equity attributable to owners of the Company	-	(3,003)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

37. NET CASH OUTFLOW ON ACQUISITION OF SUBSIDIARIES

In the previous financial year, the Group has:

- (a) On 22 January 2024 acquired 10,000 ordinary shares representing 100% equity interest in Setia Alam Medical Centre Sdn. Bhd. (SAMC) for RM1,500.
- (b) On 28 May 2024 completed the acquisition of CSC Agriculture Holdings Sdn. Bhd. (CSCAH) via subscription of 13,551,072 ordinary shares in CSCAH for a purchase consideration of RM25,000,000; and
- (c) On 11 September 2024 acquired 148,944 ordinary shares representing 80% equity interest in OPT Precision Sdn. Bhd. (OPT) for RM2,080,003.

The fair values of the identifiable assets acquired and liabilities assumed from the above acquisitions were as follows:-

	AT DATE OF ACQUISITION	
	CARRYING AMOUNT	FAIR VALUE RECOGNISED
	RM'000	RM'000
Property, plant and equipment (Note 14)	37,206	78,336
Investment properties (Note 16)	24,245	24,245
Right-of-use assets (Note 17)	4,999	4,999
Inventories	1,241	1,241
Biological assets	276	276
Trade receivables	9,542	9,542
Other receivable, deposits and prepayments	3,338	3,338
Tax recoverable	399	399
Cash, bank balances and deposits	21,699	21,699
Deferred tax liabilities (Note 31)	(359)	(9,370)
Term loans (Note 39(b))	(27,533)	(27,533)
Hire purchase liabilities (Note 39(b))	(1,113)	(1,113)
Lease liabilities (Note 39(b))	(3,816)	(3,816)
Trade and other payables	(31,352)	(31,352)
Net identifiable assets acquired	38,772	70,891
Less: Non-controlling interests		(48,052)
Add: Goodwill on consolidation (Note 22)		4,244
Total purchase consideration		27,083
Less: Cash and cash equivalents of subsidiaries acquired		(21,699)
Net cash outflow from acquisition of subsidiaries		5,384

The non-controlling interests are measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition.

The acquired subsidiaries have contributed the following results to the Group:-

	GROUP
	2024
	RM'000
Revenue	51,240
Loss after tax	(2,853)

If the acquisition had taken place at the beginning of previous financial year, the acquired subsidiaries would have contributed to the Group's revenue and loss after tax of RM87,637,000 and RM4,250,000, respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

38. NET CASH OUTFLOW ON DECONSOLIDATION OF SUBSIDIARIES

- (a) In the previous year, two indirect wholly-owned subsidiaries of the Company, namely Mega First Power Services Sdn Bhd (MFPS) and Bayangan Sutera Sdn Bhd (BSSB) have on 19 March 2024 commenced members' voluntary liquidation; and
- (b) On 8 September 2025, the Group has commenced voluntary liquidation over its wholly-owned subsidiary, Mega First Mining Sdn. Bhd. (MFM).

Accordingly, the financial results of the abovesaid subsidiaries have been deconsolidated from the Group's accounts with effect from the aforementioned date and the financial effects of the deconsolidation are summarised below:-

	GROUP	
	2025 RM'000	2024 RM'000
Other receivables	-	80
Bank balances	27	48
Payables	(27)	(34)
Current tax asset	-	5
Book value of net assets deconsolidated	-	99
Loss on deconsolidation	-	(99)
Consideration received, satisfied in cash	-	-
Less: Bank balances and deposits of subsidiaries deconsolidated	(27)	(48)
Net cash outflow from deconsolidation of subsidiaries	(27)	(48)

39. CASH FLOW INFORMATION

- (a) During the financial year, the Group and the Company made the following payment to purchase property, plant and equipment and right-of-use assets:-

		GROUP		COMPANY	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<u>Property, plant and equipment</u>					
Cost of property, plant and equipment purchased	14	192,127	289,269	910	717
Less:					
Acquired through hire purchase arrangements	39(b)	(409)	-	-	-
Prepayments made in previous year		(12,126)	(21,520)	-	-
Depreciation capitalised	14	(700)	(1,199)	-	-
Interest capitalised	14	(6,064)	-	-	-
Add: Prepayments made for future purchases	25.1	-	12,126	-	-
Cash disbursed for purchase of property, plant and equipment		172,828	278,676	910	717
<u>Right-of-use assets</u>					
Cost of right-of-use assets acquired	17	524	1,415	-	-
Addition of new lease liabilities	39(b)	(524)	(1,320)	-	-
Cash disbursed for addition of right-of-use assets		-	95	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

39. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows:-

GROUP	Note	Term Loans RM'000	Hire Purchase Liabilities RM'000	Lease Liabilities RM'000	Other Short-term Borrowings* RM'000	Total RM'000
2025						
At 1 January		828,131	3,713	8,509	318,309	1,158,662
<u>Changes in Financing Cash Flows</u>						
Proceeds from drawdown		134,079	-	-	477,482	611,561
Repayment of principal		(243,331)	(2,514)	(1,563)	(451,460)	(698,868)
Net (repayment)/drawdown		(109,252)	(2,514)	(1,563)	26,022	(87,307)
Interest paid		(41,521)	(160)	(273)	(13,380)	(55,334)
		(150,773)	(2,674)	(1,836)	12,642	(142,641)
<u>Others Changes</u>						
Acquisition of new leases	39(a)	-	-	524	-	524
Acquisition of property, plant and equipment	39(a)	-	409	-	-	409
Interest expense recognised in profit or loss	8	34,928	160	273	12,390	47,751
Interest expense capitalised in property, plant and equipment	14	5,074	-	-	990	6,064
Interest expense capitalised in contract cost assets	25.2	1,519	-	-	-	1,519
Modification of lease liabilities		-	-	689	-	689
Foreign exchange differences		(33,454)	-	(328)	-	(33,782)
		8,067	569	1,158	13,380	23,174
At 31 December		685,425	1,608	7,831	344,331	1,039,195
2024						
At 1 January		760,602	10,618	5,320	140,729	917,269
<u>Changes in Financing Cash Flows</u>						
Proceeds from drawdown		183,638	-	-	355,147	538,785
Repayment of principal		(132,502)	(8,018)	(1,792)	(177,567)	(319,879)
Net drawdown/(repayment)		51,136	(8,018)	(1,792)	177,580	218,906
Interest paid		(51,857)	(526)	(263)	(9,021)	(61,667)
		(721)	(8,544)	(2,055)	168,559	157,239
<u>Others Changes</u>						
Acquisition of new leases	39(a)	-	-	1,320	-	1,320
Acquisition of subsidiaries	37	27,533	1,113	3,816	-	32,462
Interest expense recognised in profit or loss	8	51,052	526	263	9,021	60,862
Interest expense capitalised in contract cost assets	25.2	805	-	-	-	805
Modification of lease liabilities		-	-	(97)	-	(97)
Foreign exchange differences		(11,140)	-	(58)	-	(11,198)
		68,250	1,639	5,244	9,021	84,154
At 31 December		828,131	3,713	8,509	318,309	1,158,662

* - Comprises of revolving credits, trade financing and loans

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

39. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows (Cont'd):-

COMPANY	SHORT-TERM BORROWINGS	
	2025 RM'000	2024 RM'000
At 1 January	180,000	50,000
<u>Changes in Financing Cash Flows</u>		
Proceeds from drawdown	49,000	130,000
<u>Other Changes</u>		
Interest expense recognised in profit or loss (Note 8)	7,430	3,787
Repayment of interests (presented as operating cash flows)	(7,430)	(3,787)
At 31 December	229,000	180,000

40. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

40.1 Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country, in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

The Group's foreign operations of various functional currencies when translated into the Company's reporting currency, notably RM based on closing rates (for assets and liabilities) and average transaction rates (for income and expenses) at consolidation, gives rise to foreign currency translation gain or loss that will be recognised in other comprehensive income. Intragroup transactions with foreign operations involving monetary financial instruments will also result in foreign currency translation gain or loss that cannot be eliminated on consolidation, but has to be recognised either in profit or loss or in other comprehensive income.

Resulting from its net investment in foreign operations, the Group's current and future profit stream in foreign currencies will also expose to foreign currency risk.

In general, currency exposure from foreign investments and borrowings is managed centrally at the Group level, whilst currency exposure arising from transactions or contractual obligations is managed at the respective entity or business unit's level.

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar (USD) and Singapore Dollar (SGD). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The principal closing rates used in the translation of foreign currencies are as follows:-

	GROUP	
	2025 RM	2024 RM
1 United States Dollar	4.061	4.475
1 Singapore Dollar	3.157	3.288

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency (a currency which is other than the functional currency of the entities within the Group) is as follows:-

GROUP	UNITED STATES DOLLAR RM'000	SINGAPORE DOLLAR RM'000	OTHERS RM'000	TOTAL RM'000
2025				
<u>Financial assets</u>				
Investments in quoted shares	-	12,062	171	12,233
Receivables	37,033	347	1,027	38,407
Bank balances and deposits	118,442	11,003	2,662	132,107
	155,475	23,412	3,860	182,747
<u>Financial liabilities</u>				
Payables (current)	(8,846)	(61)	(1,133)	(10,040)
Trade financing and loans	(17,435)	-	-	(17,435)
	(26,281)	(61)	(1,133)	(27,475)
Currency exposure, net financial assets	129,194	23,351	2,727	155,272
2024				
<u>Financial assets</u>				
Investments in quoted shares	-	14,550	149	14,699
Receivables	34,389	338	3,531	38,258
Bank balances and deposits	34,197	11,374	2,386	47,957
	68,586	26,262	6,066	100,914
<u>Financial liabilities</u>				
Payables (current)	(13,547)	(13)	(161)	(13,721)
Trade financing and loans	(7,414)	-	-	(7,414)
	(20,961)	(13)	(161)	(21,135)
Currency exposure, net financial assets	47,625	26,249	5,905	79,779

The Company's exposure to foreign currency is as follows:-

	UNITED STATES DOLLAR COMPANY	
	2025 RM'000	2024 RM'000
<u>Financial asset</u>		
Bank balances and deposits	27,215	2,502

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:-

	GROUP	
	2025 RM'000	2024 RM'000
Effects on profit after taxation		
USD/RM:		
- strengthened by 5%	4,909	1,810
- weakened by 5%	(4,909)	(1,810)
SGD/RM:		
- strengthened by 5%	429	445
- weakened by 5%	(429)	(445)
Effects on equity		
SGD/RM:		
- strengthened by 5%	603	728
- weakened by 5%	(603)	(728)

There is no impact on the Group's other components of equity.

Any reasonably possible change in the foreign currencies at the end of the reporting period does not have a material impact in the Company's profit after taxation and equity. Hence, no sensitivity analysis is presented.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities at the end of the reporting period as disclosed in Notes 24, 26, 30, 33 and 34 to the financial statements. The Group's policy is to obtain the most favourable interest rates available by maintaining a balanced portfolio mix of fixed and floating rate borrowings. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

The Group actively reviews its debt portfolio, taking into account the nature and requirements of its businesses as well as the current business and economic environment. This strategy allows it to achieve an optimum cost of capital whilst locking in long term funding rates for long term investments.

The Group's fixed rate borrowings are not subject to interest rate risk as defined in MFRS 7 since neither the carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates on all floating rate borrowings, net of unpledged deposits placed with financial institutions as at the end of the reporting period, with all other variables held constant:-

	GROUP	
	2025 RM'000	2024 RM'000
Effect on profit after taxation		
Increase of 25 basis points (bp)	(1,468)	(1,938)
Decrease of 25 bp	1,468	1,938

There is no impact on the Group's other components of equity.

Any reasonably possible change in the interest rates at the end of the reporting period does not have a material impact in the Company's profit after taxation and equity. Hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to equity price risks by maintaining a portfolio of equities with different risk profiles.

Equity price risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the prices of the quoted investments as at the end of the reporting period, with all other variables held constant:-

	GROUP	
	2025 RM'000	2024 RM'000
Effects on equity		
Increase of 5%	2,525	4,368
Decrease of 5%	(2,525)	(4,368)

Any reasonably possible change in the prices of quoted investments at the end of the reporting period does not have any impact to the Company's profit after taxation and hence, no sensitivity analysis is presented for such.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(i) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amount owing by a debtor which constituted approximately 74% (2024: 79%) of its total receivables at the end of the reporting period.

(ii) Maximum exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Group's and the Company's maximum exposure to credit risk also includes corporate guarantees provided to its joint venture, associate and subsidiaries as disclosed under the 'Maturity Analysis' of item (c) below, representing the outstanding banking facilities of the joint venture, associate or subsidiaries respectively as at the end of the reporting period. These corporate guarantees have not been recognised in the Group's and the Company's financial statements since their fair values on initial recognition were not material.

(iii) Assessment of Impairment Losses

The Group have an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group closely monitor the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group assesses whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of the following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the debtor;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the debtor's financial difficulty;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

The Group considers a debtor to be in default when the debtor is unlikely to repay its debt to the Group in full or is more than 90 days past due. The Group uses a more lagging past due criterion for certain trade debtors when it is more appropriate to reflect their loss patterns.

Trade Receivables and Contract Assets

The exposure of credit risk for trade receivables and contract assets by geographical region is as follows:-

	GROUP	
	2025 RM'000	2024 RM'000
Lao PDR	100,017	171,158
Malaysia	78,099	68,676
Others	42,558	48,176
	220,674	288,010

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 12 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

GROUP	GROSS AMOUNT RM'000	LIFETIME INDIVIDUAL ALLOWANCE RM'000	LIFETIME COLLECTIVE ALLOWANCE RM'000	CARRYING AMOUNT RM'000
2025				
Current (not past due)	172,820	-	-	172,820
1 to 90 days past due	31,596	(3)	-	31,593
91 to 180 days past due	1,077	(682)	-	395
Past due more than 180 days	1,175	(567)	(314)	294
Credit impaired	3,729	(3,729)	-	-
Trade receivables (Note 24.2.1)	210,397	(4,981)	(314)	205,102
Contract assets (Note 25)	15,572	-	-	15,572
	225,969	(4,981)	(314)	220,674
2024				
Current (not past due)	245,523	(9)	(102)	245,412
1 to 90 days past due	35,659	(371)	(113)	35,175
91 to 180 days past due	2,105	(641)	(48)	1,416
Past due more than 180 days	1,862	(231)	(373)	1,258
Credit impaired	4,313	(3,744)	(569)	-
Trade receivables (Note 24.2.1)	289,462	(4,996)	(1,205)	283,261
Contract assets (Note 25)	4,749	-	-	4,749
	294,211	(4,996)	(1,205)	288,010

The movement in the loss allowances in respect of trade receivables is disclosed in Note 24.2.1 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

The Group and the Company apply the 3-stage general approach to measuring expected credit losses for its other receivables and amount owing by related parties.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group and the Company consider the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

Allowance for Impairment Losses

	GROSS AMOUNT RM'000	LIFETIME LOSS ALLOWANCE RM'000	CARRYING AMOUNT RM'000
GROUP			
2025			
Low credit risk:			
- Long-term receivable	224,636	(1,470)	223,166
- Others	8,147	(1,385)	6,762
	232,783	(2,855)	229,928
2024			
Low credit risk:			
- Long-term receivable	282,931	(1,621)	281,310
- Others	12,719	(1,284)	11,435
	295,650	(2,905)	292,745
COMPANY			
2025			
Low credit risk	1,000	(702)	298
2024			
Low credit risk	1,745	(739)	1,006

The movement in the loss allowances in respect of other receivables is disclosed in Note 24.2.2 to the financial statements.

Bank Balances and Deposits

The Group considers these banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing By Subsidiaries (Non-Trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through "repayable over time" or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

	GROSS AMOUNT RM'000	LIFETIME LOSS ALLOWANCE RM'000	CARRYING AMOUNT RM'000
COMPANY			
2025			
Low credit risk	23,772	-	23,772
Significant increase in credit risk	259	(158)	101
Credit impaired	-	-	-
	24,031	(158)	23,873
2024			
Low credit risk	24,443	-	24,443
Significant increase in credit risk	222	(158)	64
Credit impaired	-	-	-
	24,665	(158)	24,507

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

GROUP	CONTRACTUAL INTEREST RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 5 YEARS RM'000	OVER 5 YEARS RM'000
2025						
Payables:						
- Non-current	-	633	633	-	633	-
- Current	-	154,911	154,911	154,911	-	-
Hire purchase liabilities	4.46 to 7.69	1,608	1,765	1,209	556	-
Term loans	2.00 to 6.45	685,425	800,183	311,222	306,137	182,824
Trade financing and loans	3.33 to 4.81	71,136	71,136	71,136	-	-
Revolving credits	3.67 to 4.60	273,195	273,195	273,195	-	-
Bank overdrafts	6.40 to 7.10	1,057	1,057	1,057	-	-
Put option liability	10.72	64,766	68,816	68,816	-	-
Lease liabilities	3.66 to 9.00	7,831	13,626	1,280	2,331	10,015
Financial guarantee contracts*	-	-	466,696	466,696	-	-
		1,260,562	1,852,018	1,349,522	309,657	192,839
2024						
Payables:						
- Non-current	-	636	636	-	636	-
- Current	-	206,624	206,624	206,624	-	-
Hire purchase liabilities	4.10 to 7.66	3,713	3,855	2,246	1,609	-
Term loans	2.00 to 7.20	828,131	857,834	346,293	408,940	102,601
Trade financing and loans	3.65 to 5.44	50,926	50,926	50,926	-	-
Revolving credits	3.98 to 5.00	267,383	267,383	267,383	-	-
Put option liability	4.02	69,220	73,693	-	73,693	-
Lease liabilities	3.72 to 9.00	8,509	15,193	1,654	2,374	11,165
Financial guarantee contracts*	-	-	418,891	418,891	-	-
		1,435,142	1,895,035	1,294,017	487,252	113,766

* - The contractual undiscounted cash flows represent the outstanding bank facilities of joint venture and associate at the end of the reporting period. The financial guarantees are not recognised as their fair values are not material.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

COMPANY	CONTRACTUAL INTEREST RATE	CARRYING AMOUNT	CONTRACTUAL UNDISCOUNTED CASH FLOWS	WITHIN 1 YEAR	1 - 5 YEARS	OVER 5 YEARS
	%	RM'000	RM'000	RM'000	RM'000	RM'000
2025						
Payables (current):						
- interest-free	-	14,826	14,826	14,826	-	-
- interest-bearing	3.30	75,535	75,535	75,535	-	-
Revolving credits	3.67 to 3.88	229,000	229,000	229,000	-	-
Put option liability	10.72	64,766	68,816	68,816	-	-
Financial guarantee contracts [#]	-	-	935,581	935,581	-	-
		384,127	1,323,758	1,323,758	-	-
2024						
Payables (current):						
- interest-free	-	30,435	30,435	30,435	-	-
- interest-bearing	3.30 to 4.31	119,675	119,675	119,675	-	-
Revolving credits	4.00 to 4.17	180,000	180,000	180,000	-	-
Put option liability	4.02	69,220	73,693	-	73,693	-
Financial guarantee contracts [#]	-	-	852,464	852,464	-	-
		399,330	1,256,267	1,182,574	73,693	-

[#] - The contractual undiscounted cash flows represent the outstanding bank facilities of subsidiaries, joint venture and associate at the end of the reporting period. The financial guarantees are not recognised as their fair values are not material.

40.2 Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less bank balances and deposits. Total equity includes equity attributable to the owners of the parent and non-controlling interest.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.2 Capital Risk Management (Cont'd)

The debt-to-equity ratio of the Group at the end of the reporting period was as follow:-

	GROUP	
	2025 RM'000	2024 RM'000
Term loans (Note 30)	685,425	828,131
Revolving credits (Note 33)	273,195	267,383
Trade financing and loans (Note 33)	71,136	50,926
Hire purchase liabilities	1,608	3,713
Bank overdrafts	1,057	-
	1,032,421	1,150,153
Less: Bank balances and deposits (Note 26)	(466,133)	(268,320)
Net debt	566,288	881,833
Total equity	3,554,205	3,544,454
Debt-to-equity ratio (times)	0.16	0.25

There was no change in the Group's approach to capital management during the financial year.

40.3 Classification Of Financial Instruments

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial assets				
<u>Designated at Fair Value Through Other Comprehensive Income Upon Initial Recognition</u>				
Investments in quoted shares	50,499	87,351	753	576
Investment in unquoted shares	686	669	-	-
	51,185	88,020	753	576
<u>Amortised Cost</u>				
Receivables, contract assets and deposits	456,175	586,875	481	1,194
Bank balances and deposits	466,133	268,320	30,117	4,874
Amount owing by subsidiaries	-	-	23,873	24,507
	922,308	855,195	54,471	30,575
Financial liabilities				
<u>Fair Value Through Profit or Loss</u>				
Put option liability	64,766	69,220	64,766	69,220
<u>Amortised Cost</u>				
Payables:				
- Non-current	633	636	-	-
- Current	154,911	206,624	2,421	2,963
Hire purchase liabilities	1,608	3,713	-	-
Term loans	685,425	828,131	-	-
Revolving credits	273,195	267,383	229,000	180,000
Trade financing and loans	71,136	50,926	-	-
Bank overdrafts	1,057	-	-	-
Amount owing to subsidiaries	-	-	87,940	147,147
	1,187,965	1,357,413	319,361	330,110

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.4 Fair Value Information

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

GROUP	Fair Value of Financial Instruments Carried At Fair Value			Fair Value of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
2025	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Financial Assets</u>								
Investments in quoted shares	50,499	-	-	-	-	-	50,499	50,499
Investment in unquoted shares	-	686	-	-	-	-	686	686
Long-term receivable	-	-	-	-	223,166	-	223,166	223,166
<u>Financial Liabilities</u>								
Term loans	-	-	-	-	685,425	-	685,425	685,425
Hire purchase liabilities	-	-	-	-	1,608	-	1,608	1,608
Put option liability	-	-	64,766	-	-	-	64,766	64,766
2024								
<u>Financial Assets</u>								
Investments in quoted shares	87,351	-	-	-	-	-	87,351	87,351
Investment in unquoted shares	-	669	-	-	-	-	669	669
Long-term receivable	-	-	-	-	281,310	-	281,310	281,310
<u>Financial Liabilities</u>								
Term loans	-	-	-	-	828,131	-	828,131	828,131
Hire purchase liabilities	-	-	-	-	3,713	-	3,713	3,713
Put option liability	-	-	69,220	-	-	-	69,220	69,220
COMPANY								
2025								
<u>Financial Asset</u>								
Investments in quoted shares	753	-	-	-	-	-	753	753
<u>Financial Liability</u>								
Put option liability	-	-	64,766	-	-	-	64,766	64,766
2024								
<u>Financial Asset</u>								
Investments in quoted shares	576	-	-	-	-	-	576	576
<u>Financial Liability</u>								
Put option liability	-	-	69,220	-	-	-	69,220	69,220

- (a) The fair values of financial instruments carried at fair value have been determined using the following basis:-
- The fair values of quoted equity investments are measured at their quoted closing bid prices at the end of the reporting period.
 - The fair value of unquoted equity investment is determined to approximate the net assets of the investee.
 - The fair value of long-term receivable that carry fixed financing rate is determined by discounting the relevant future contractual cash flows using interest rates for similar instruments at the end of the reporting period.
 - The fair value of put option liability is determined using expected future value of two subsidiaries with the resulting value discounted at present value, based on key unobservable input of discount rate at 10.72%. A 1% higher/lower in discount rate would decrease/increase the fair value by approximately RM0.36 million.

In regard to financial instruments carried at fair value, there were no transfer between level 1 and level 2 during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.4 Fair Value Information (Cont'd)

- (b) The fair values of financial instruments not carried at fair value, which are for disclosure purposes, have been determined using the following basis:-
- (i) The fair values of the Group's bank borrowings that carry floating interest rates approximated to their carrying amounts as they are repriced to market interest rate on near the reporting date.
 - (ii) The fair value of term loans and hire purchase liabilities that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period.

41. OPERATING SEGMENTS

For management purposes, the Group is organised into business units based on their products and services provided and accordingly into three (3) core business segments, as follows:-

Business segments	Summary description
Renewable Energy	Build, finance, own and operate renewable power plants.
Resources	Quarrying of limestone, manufacturing and trading of lime products and calcium carbonate powder.
Packaging	Manufacturing and distribution of flexible packaging materials and products, paper bags, labels and stickers.

Management assesses the performance of the operating segments based on operating profit or loss which is measured differently from those disclosed in the consolidated financial statements.

Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly investments and related income, loans and borrowings and related expenses, corporate assets (primarily the Company's headquarters) and head office expenses.

Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties.

GROUP	Renewable Energy	Resources	Packaging	Investment Holding & Others	Eliminations	Consolidated
2025	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External revenue	658,958	198,042	432,484	130,142	-	1,419,626
Inter-segment revenue	243	-	-	354,599	(354,842)	-
Consolidated revenue	659,201	198,042	432,484	484,741	(354,842)	1,419,626
Results						
Profit from operations	516,992	29,170	31,779	327,237	(356,142)	549,036
Finance costs						(49,499)
Share of results in equity accounted investments						(74,252)
Profit before tax						425,285
Tax expense						(20,595)
Profit after tax						404,690

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

41. OPERATING SEGMENTS (CONT'D)

Included in the profit after tax for the financial year are the following items:-

GROUP	Renewable Energy	Resources	Packaging	Investment Holding & Others	Eliminations	Consolidated
2025	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Income						
Dividend income	-	99	-	353,578	(352,116)	1,561
Interest income	72,450	2,638	1,228	4,080	(69,636)	10,760
Financing income on long-term receivable	16,594	-	-	-	-	16,594
Fair value gain on put option liability	-	-	-	4,454	-	4,454
Writeback of impairment loss on property, plant and equipment	-	-	5,940	-	-	5,940
Expense						
Amortisation of:						
- Service concession asset	(82,971)	-	-	-	-	(82,971)
- Water rights	(12,922)	-	-	-	-	(12,922)
Depreciation of:						
- Property, plant and equipment	(6,482)	(9,625)	(23,081)	(8,318)	(1,240)	(48,746)
- Right-of-use assets	(1,021)	(2,320)	(1,506)	(823)	820	(4,850)
- Inventories (writedown)/writeback	-	171	(1,942)	-	-	(1,771)
- Inventories written off	-	(47)	(1,554)	-	-	(1,601)
Loss on foreign exchange, net:						
- Realised	(118)	(2,568)	(2,370)	(372)	-	(5,428)
- Unrealised	(3,795)	(5,128)	(1,938)	(940)	-	(11,801)
Plant and equipment written off	(3)	(27)	-	(7,441)	-	(7,471)
Assets						
Segment assets	3,066,438	333,159	617,316	939,562	-	4,956,475
Inter-segment assets	18	56,987	25,191	87,290	(169,486)	-
	3,066,456	390,146	642,507	1,026,852	(169,486)	4,956,475
Current tax assets						1,955
Consolidated total assets						4,958,430
Liabilities						
Segment liabilities	(475,859)	(24,626)	(309,613)	(462,536)	-	(1,272,634)
Inter-segment liabilities	(2,516)	(6,590)	(12,142)	(148,389)	169,637	-
	(478,375)	(31,216)	(321,755)	(610,925)	169,637	(1,272,634)
Deferred tax liabilities						(129,671)
Current tax liabilities						(1,920)
Consolidated total liabilities						(1,404,225)
Other segment items						
Material additions to non-current assets other than financial instruments:						
- Property, plant and equipment (PPE)	121,827	1,868	33,169	35,263	-	192,127
- Associates and joint venture	-	-	-	87,427	-	87,427

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

41. OPERATING SEGMENTS (CONT'D)

GROUP	Renewable Energy	Resources	Packaging	Investment Holding & Others	Eliminations	Consolidated
2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External revenue	1,032,250	223,621	399,167	86,841	-	1,741,879
Inter-segment revenue	261	-	-	47,158	(47,419)	-
Consolidated revenue	1,032,511	223,621	399,167	133,999	(47,419)	1,741,879
Results						
Profit from operations	543,236	48,279	38,658	56,985	(49,414)	637,744
Finance costs						(62,183)
Share of results in equity accounted investments						(66,242)
Profit before tax						509,319
Tax expense						(18,301)
Profit after tax						491,018
Included in the profit after tax for the financial year are the following items:-						
Income						
Dividend income	-	61	-	164,213	(162,183)	2,091
Insurance claims income	-	-	31,826	-	-	31,826
Interest income	21,949	2,767	1,241	2,728	(4,495)	24,190
Fair value gain on put option liability	-	-	-	1,539	-	1,539
Writeback/(Write-down) in value of inventories	-	(3,491)	3,572	(51)	-	30
Expense						
Allowance for impairment losses on receivables	(10,064)	(3)	(104)	(99)	-	(10,270)
Amortisation of service concession asset	(88,921)	-	-	-	-	(88,921)
Depreciation of:						
- Property, plant and equipment	(14,169)	(9,639)	(20,845)	(3,981)	(1,240)	(49,874)
- Right-of-use assets	(27)	(2,509)	(1,335)	(691)	(176)	(4,738)
Fair value loss on investment properties	-	-	-	(7,994)	-	(7,994)
(Loss)/Gain on foreign exchange, net:						
- Realised	(173)	(1,423)	(2,040)	1,538	-	(2,098)
- Unrealised	(780)	(2,091)	397	438	-	(2,036)
Assets						
Segment assets	3,173,036	321,204	602,611	1,020,906	-	5,117,757
Inter-segment assets	5,233	62,724	24,762	123,471	(216,190)	-
	3,178,269	383,928	627,373	1,144,377	(216,190)	5,117,757
Current tax assets						3,598
Consolidated total assets						5,121,355
Liabilities						
Segment liabilities	(512,144)	(30,517)	(284,976)	(613,153)	-	(1,440,790)
Inter-segment liabilities	(2,074)	(6,059)	(11,804)	(195,990)	215,927	-
	(514,218)	(36,576)	(296,780)	(809,143)	215,927	(1,440,790)
Deferred tax liabilities						(133,853)
Current tax liabilities						(2,258)
Consolidated total liabilities						(1,576,901)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

41. OPERATING SEGMENTS (CONT'D)

GROUP	Renewable Energy	Resources	Packaging	Investment Holding & Others	Eliminations	Consolidated
2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other segment items						
Material additions to non-current assets other than financial instruments:						
- Property, plant and equipment (PPE)	11,925	7,620	114,888	154,836	-	289,269
- Water rights	337,515	-	-	-	-	337,515
- Development expenditures (for fifth turbine)	142,954	-	-	-	-	142,954
- Additions of PPE, IP and right-of-use assets, as part of new subsidiaries acquisitions (Note 37)	-	-	-	107,580	-	107,580
- Associate and joint venture	-	-	-	73,000	-	73,000

Geographical information

The information on the disaggregation of revenue based on geographical region is disclosed in Note 5 to the financial statements.

The analysis of the Group's non-current assets by geographical region is summarised as follow:-

	Non-current Assets	
	2025 RM'000	2024 RM'000
Malaysia	1,390,086	1,362,975
Lao PDR	2,453,823	2,755,528
Cambodia	143,253	148,099
Maldives	33,457	8,462
	4,020,619	4,275,064

Major customer

The following is the major customer with revenue equal to or more than 10% of the Group's revenue:-

	Division	Revenue	
		2025 RM'000	2024 RM'000
Customer A	Renewable Energy	607,994	1,009,464

42. LIST OF SUBSIDIARIES

The principal activities of the subsidiaries, their principal place of business, country of incorporation and the effective interest of the Group are shown below:-

Company	Principal Activities	Principal Place of Business/Country of Incorporation	Effective Percentage of Issued Share Capital Held	
			2025 %	2024 %
<i>Subsidiaries of the Company</i>				
Authentic Excellence Sdn. Bhd. (AESB)	Investment holding	Malaysia	100	100
Bloxwich International Sdn. Bhd. (BISB)	Investment holding and provision of management services	Malaysia	100	100
Cheng Sun Industries Sdn. Bhd. (CSI)	Investment holding	Malaysia	99.6	99.6
Geo-Mobile Asia Sdn. Bhd.	Investment holding	Malaysia	100	100
Gombak Land Sdn. Bhd. (GLSB)	Property development and Investment holding	Malaysia	100	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

42. LIST OF SUBSIDIARIES (CONT'D)

The principal activities of the subsidiaries, their principal place of business, country of incorporation and the effective interest of the Group are shown below (Cont'd):-

Company	Principal Activities	Principal Place of Business/Country of Incorporation	Effective Percentage of Issued Share Capital Held	
			2025 %	2024 %
<u>Subsidiaries of the Company (Cont'd)</u>				
Hexachase Corporation Sdn. Bhd. (HXC)	Investment holding	Malaysia	52.4	52.4
Mamut Copper Mining Sdn. Bhd. (MCM)	Investment holding	Malaysia	100	100
Mega First Housing Development Sdn. Bhd.	Property development	Malaysia	100	100
Mega First Industries Sdn. Bhd. (MFI)	Investment holding	Malaysia	100	100
Mega First Investments (L) Limited (MFIL)	Investment holding	Malaysia	100	100
Mega First Mining Sdn. Bhd.!!!	Investment holding	Malaysia	100	100
Mega First Plantation (Cambodia) Ltd @	Plantation development	The Kingdom of Cambodia	100	100
Mega First Power Industries Sdn.Bhd. (MFPI)	Investment holding	Malaysia	100	100
Mega First Resources Sdn. Bhd. (MFR)	Investment holding	Malaysia	100	100
Propera Sdn. Bhd.	Dormant	Malaysia	100	100
Stenta Films (Malaysia) Sendirian Berhad (SFSB)	Manufacturing and sale of flexible packaging materials	Malaysia	75	75
Mega Ventures Limited	Investment holding	Malaysia	75	75
TT Kinta Sdn. Bhd.	Property investment	Malaysia	100	100
Mega First Agrotech Sdn. Bhd. (MFAT)	Investment holding	Malaysia	100	100
Mega First Green Farms Limited (MFGF)	Investment holding	Malaysia	100	100
Don Sahong Investments Limited (DSHL)	Investment holding	Malaysia	100	100
<u>Subsidiary of AESB</u>				
Rock Chemical Industries (Malaysia) Sdn. Berhad (RCI)	Investment holding and provision of management consultancy services	Malaysia	100	100
Setia Alam Medical Centre Sdn. Bhd.	Development and operation of a medical centre	Malaysia	51	51
<u>Subsidiaries of BISB</u>				
Bloxwich (Malaysia) Sdn. Bhd.	Engineering, designing and manufacturing of automotive components	Malaysia	100	100
OPT Precision Sdn. Bhd.*	Manufacture and trading of all kinds of metal products and related business	Malaysia	80	80
United Excellence Sdn. Bhd.	Investment holding	Malaysia	50.05	50.05
<u>Subsidiary of CSI</u>				
Syarikat Cheng Sun Quarry Sdn. Bhd.	Quarrying of limestone and production of fine calcium carbonate powder	Malaysia	99.6	99.6
<u>Subsidiaries of MFR</u>				
Anting Sendirian Berhad	Quarry operator	Malaysia	100	100
Sri Anting Sdn. Bhd.	Property investment	Malaysia	100	100
<u>Subsidiary of DSIL/MFIL</u>				
Don Sahong Holdings Limited (DSH) @	Investment holding	Malaysia (incorporated in British Virgin Islands)	100	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

42. LIST OF SUBSIDIARIES (CONT'D)

The principal activities of the subsidiaries, their principal place of business, country of incorporation and the effective interest of the Group are shown below (Cont'd):-

		Principal Place of Business/Country of Incorporation	Effective Percentage of Issued Share Capital Held	
Company	Principal Activities		2025 %	2024 %
<u>Subsidiaries of DSH</u>				
Ground Roses Limited (GRL) @	Investment holding	Malaysia (incorporated in British Virgin Islands)	100	100
Silver Acreage Limited @	Investment holding	Malaysia (incorporated in British Virgin Islands)	100	100
<u>Subsidiary of GRL</u>				
Don Sahong Power Company Ltd *	Develop and operate hydroelectric power plant	Lao People's Democratic Republic	95	95
<u>Subsidiaries of GLSB</u>				
Community Consortium Sdn. Bhd.	Property development	Malaysia	100	100
Idaman Harmoni Sdn. Bhd.	Property investment	Malaysia	75	75
Kinta Ceria Sdn. Bhd.	Property investment	Malaysia	100	100
Megah Harmonik Property Management Sdn. Bhd.	Property management	Malaysia	100	100
Paya Emas Sdn. Bhd.	Property development	Malaysia	60	60
Public Ventures Management Sdn. Bhd. !	Dormant	Malaysia	100	100
<u>Subsidiary of MFI</u>				
Greentown Parking Sdn. Bhd.	Car park operator	Malaysia	100	100
<u>Subsidiary of SFSB</u>				
Stenta Multifilms Sdn. Bhd.	Manufacturing and sale of flexible packaging materials	Malaysia	75	75
<u>Subsidiaries of HXC</u>				
Hexachase Flexipack Sdn. Bhd.	Manufacturing of flexible packaging products	Malaysia	61.8	61.8
Hexachase Labels Sdn. Bhd. (HLSB)	Manufacturing of labels and printed products	Malaysia	65.7	65.7
Hexachase Packaging Sdn. Bhd.	Manufacturing of packaging products	Malaysia	55.7	55.7
<u>Subsidiary of HLSB</u>				
Hexachase Marketing & Trading Sdn. Bhd.	Dormant	Malaysia	65.7	65.7
<u>Subsidiary of MCM</u>				
Geo-Mobile Asia (HK) Limited *	Dormant	Hong Kong, the People's Republic of China	100	100
<u>Subsidiaries of MFPI</u>				
Mega First C&I Solar Sdn. Bhd. (MF C&I)	Investment holding	Malaysia	100	100
Mega First Power Services Sdn. Bhd. !!	Dormant	Malaysia	-	100
Bayangan Sutera Sdn. Bhd. !!	Dormant	Malaysia	-	100
MF Solar Tronoh Sdn. Bhd.	Design, build, own, operate and maintain solar photovoltaic power plant and related activities	Malaysia	100	100
Mega First Solar (Maldives) Consortium Pvt Ltd*	Construction, installation, operation and maintenance of solar photovoltaic systems	Republic of Maldives	99	99

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

42. LIST OF SUBSIDIARIES (CONT'D)

The principal activities of the subsidiaries, their principal place of business, country of incorporation and the effective interest of the Group are shown below (Cont'd):-

Company	Principal Activities	Principal Place of Business/Country of Incorporation	Effective Percentage of Issued Share Capital Held	
			2025 %	2024 %
<u>Subsidiaries of MFC&I</u>				
MFP Solar Sdn. Bhd. (MFP Solar)	Solar photovoltaic investment	Malaysia	55	55
MFP Solar International Limited (MFPSI) @	Investment holding	Malaysia (incorporated in British Virgin Islands)	55	55
<u>Subsidiary of MFPSI</u>				
MFP Solar (Cambodia) Co., Ltd @	Solar photovoltaic Investment	The Kingdom of Cambodia	55	55
<u>Subsidiary of MFP Solar</u>				
S & C Green Pace Sdn. Bhd. #2	Dormant	Malaysia	44	44
<u>Subsidiaries of RCI</u>				
Batamas Sdn. Berhad (BSB)	Manufacturing and selling of bricks. Temporarily ceased operation	Malaysia	100	100
Identiti Jitu Sdn. Bhd.	Dormant	Malaysia	55	55
Melewar Jutamas Sdn. Bhd.	Property investment	Malaysia	100	100
RCI Lime Sdn. Bhd.	Manufacture and sale of lime products and limestone quarry operator	Malaysia	100	100
RCI Marketing Sdn. Bhd.	Trading in building materials and construction products	Malaysia	100	100
RCI Minerals Sdn. Bhd. (RCIM)	Investment holding	Malaysia	100	100
RCI Ventures Sdn. Bhd.	Investment in quoted securities	Malaysia	100	100
Runding Kualiti Sdn. Bhd. (RKSB)	Investment holding	Malaysia	-	60
Teratai Kembara Sdn. Bhd. (TKSB)	Investment holding	Malaysia	77.8	77.8
Premier Capacity Sdn. Bhd.	Sand mining	Malaysia	50.25	50.25
<u>Subsidiary of BSB</u>				
Usaha Takzim Sdn. Bhd.	Property investment	Malaysia	100	100
<u>Subsidiary of RCIM</u>				
Mesrasasi Sdn. Bhd.	Quarry operator	Malaysia	100	100
<u>Subsidiary of RKSB</u>				
Runding ANR Sdn. Bhd.	Dormant	Malaysia	-	60
<u>Subsidiary of TKS</u>				
Teratai ANR Sdn. Bhd. #1	Dormant	Malaysia	77.8	77.8
<u>Subsidiary of MFAT</u>				
CSC Agriculture Holdings Sdn. Bhd. (CSCAH)	Investment holding	Malaysia	64	64
<u>Subsidiary of MFGF</u>				
Mega First Green Harvest (Cambodia) Co., Ltd @	Manufacturing and trading of fruits, grains and other food products	The Kingdom of Cambodia	100	100
<u>Subsidiary of CSCAH</u>				
CSC Food Hub Holdings Sdn. Bhd. (CSCFHH)^	Investment holding	Malaysia	40	40

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

42. LIST OF SUBSIDIARIES (CONT'D)

The principal activities of the subsidiaries, their principal place of business, country of incorporation and the effective interest of the Group are shown below (Cont'd):-

Company	Principal Activities	Principal Place of Business/Country of Incorporation	Effective Percentage of Issued Share Capital Held	
			2025 %	2024 %
<u>Subsidiary of CSCFHH</u>				
CSC Fresh Produce Holdings Sdn. Bhd. (CSCFPH)^	Investment holding and provision of management services	Malaysia	40	40
<u>Subsidiaries of CSCFPH</u>				
Chin Sam Chiap Sdn. Bhd. (CSCSB) ^	Wholesale, processing, packing and trading of vegetables, fruits and groceries	Malaysia	40	40
Chin Sam Chiap Pte. Ltd. *^	Wholesale of fruits and vegetables	Singapore	40	40
Chin Sam Chiap Plantation Sdn. Bhd. (CSCP)^	Agriculture plantation and selling of agriculture produce	Malaysia	40	40
HF Agriculture Sdn. Bhd.^	Agriculture plantation and selling of agriculture produce	Malaysia	40	40
Hup Heng Import & Export Sdn. Bhd.^	Investment holding	Malaysia	40	40
88 Home Fresh Trading Sdn. Bhd.^	Retail of groceries and vegetables	Malaysia	40	40
Chin Sam Chiap Transport Sdn. Bhd.^	Transportation	Malaysia	40	40
<u>Subsidiary of CSCSB</u>				
CSC Integrated Herbal Farm Sdn. Bhd.^	Agriculture plantation and selling of agriculture produce	Malaysia	40	40
<u>Subsidiary of CSCP</u>				
CSC Mega Farm Sdn. Bhd. (CSCMF; formerly known as Runding Kualiti Sdn. Bhd.)	Investment holding	Malaysia	52	-
<u>Subsidiary of CSCMF</u>				
Runding ANR Sdn. Bhd. #1	Dormant	Malaysia	52	-

* - Subsidiary companies audited by other firms of chartered accountants.

@ - Not required to be audited under the laws of the country of incorporation.

! - The subsidiary has commenced members' voluntary winding up petition on 9 March 2021.

!! - The subsidiaries have commenced members' voluntary winding up petition on 19 March 2024. Both the aforesaid companies were dissolved on 26 June 2025.

!!! - The subsidiary has commenced members' voluntary winding up petition on 8 September 2025.

^ - Although the Group owns less than half of the effective equity interests in all subsidiaries of CSCFHH, the Group however possesses control over such subsidiaries as it owns more than half of the voting rights in CSCFHH.

#1 - The subsidiaries have been struck off from the register of Suruhanjaya Syarikat Malaysia (SSM) on 28 January 2026 following striking off application made on 20 August 2025 pursuant to Section 550 of the Companies Act 2016.

#2 - The subsidiary has been struck off from the register of SSM on 11 March 2026 following striking off application made on 18 November 2025 pursuant to Section 550 of the Companies Act 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

43. DIVIDENDS

	COMPANY	
	2025 RM'000	2024 RM'000
Final single-tier dividend of 4.50 sen per ordinary share in respect of the financial year ended 31 December 2024	42,412	-
First interim single-tier dividend of 4.75 sen per ordinary share in respect of the financial year ended 31 December 2025	44,760	-
Final single-tier dividend of 4.25 sen per ordinary share in respect of the financial year ended 31 December 2023	-	40,067
First interim single-tier dividend of 4.50 sen per ordinary share in respect of the financial year ended 31 December 2024	-	42,418
	87,172	82,485

On 26 February 2026, the Company declared a final single-tier dividend of 5.0 sen per ordinary share for the financial year ended 31 December 2025. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2026. The final dividend will be paid on 16 April 2026 to the Depositors who are registered in the Record of Depositors at the close of business on 6 April 2026.

44. RELATED PARTY DISCLOSURES

For the purpose of the financial statements, the Group and the Company have related party relationships with its subsidiaries, associates, joint ventures and key management personnel.

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed elsewhere in the financial statements whereas the transactions that the Group and the Company carried out with such parties during the financial year are disclosed below:-

(a) Subsidiaries

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Dividend income received and receivable	-	-	215,200	44,695
Management fee received and receivable	-	-	1,580	1,298
Interest income received and receivable	-	-	421	454
Interest expense paid and payable	-	-	(3,418)	(3,726)
Rental received and receivable	-	-	310	310
Rental paid and payable	-	-	(480)	(480)

(b) A Major Shareholder of the Company

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Term loan repaid	128,508	47,234	-	-
Interest expense	16,542	24,935	-	-

(c) Joint Venture and Associates

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Shares subscription in joint venture	75,000	25,000	-	25,000
Dividend income from associates	1,120	307	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

45. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company. The key management personnel compensation during the financial year are as follows:-

(a) Directors of the Company

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Executive Directors:				
- Salaries, bonuses and other emoluments	1,271	2,062	698	558
- Defined contribution benefits	151	245	83	66
Non-Executive Directors:				
- Fees	494	501	494	501
- Other emoluments	33	22	33	22
Directors' remuneration	1,949	2,830	1,308	1,147

The estimated monetary value of benefits-in-kind provided by the Group and the Company to a Company's director was Nil (2024: RM9,706).

The details of Directors' remuneration received and receivable for the financial year in bands are as follows:-

	GROUP Number of Directors		COMPANY Number of Directors	
	2025	2024	2025	2024
<u>Executive Directors</u>				
Below RM50,000	-	-	-	-
RM100,000 - RM150,000	-	-	1	-
RM600,001 - RM650,000	1	1	1	1
RM700,001 - RM750,000	-	-	-	-
RM750,001 - RM800,000	1	1	-	-
RM900,001 - RM950,000	-	1	-	-
RM1,100,001 - RM1,150,000	-	-	-	-
<u>Non-Executive Directors</u>				
Below RM50,000	-	-	-	-
RM50,001 - RM100,000	8	8	8	8

(b) Other Key Management Personnel

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Salary, wages, bonuses, allowances and other remuneration	7,852	8,716	2,100	2,282

46. CAPITAL COMMITMENTS

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Property, plant and equipment:				
- approved and contracted for	30,577	190,359	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

47. SIGNIFICANT EVENT

The Company has executed a Share Purchase Agreement (SPA) on 21 January 2026 to acquire additional 25,797,054 ordinary shares in its partially-owned subsidiary, Stenta Films (Malaysia) Sendirian Berhad (SFSB) representing 12.50% of the issued shares in SFSB, from existing minority shareholders, for a total purchase consideration of RM33,097,620 (Additional Investment). This allows MFCB to secure stronger financial and strategic control over a profitable and strategically important business line, while positioning for growth in packaging and industrial market.

The purchase consideration was determined at RM1.283 per share, being the agreed Exit Price as set out in the Put Option Agreement executed between the same parties on 28 July 2021 (POA) based on 30th September 2025 as the exercise date.

In conjunction with the execution of the SPA and upon completion of the Additional Investment, upon which the POA will be terminated prior to its expiry on 28 July 2026. All rights, obligations and liabilities under the POA shall cease after date of termination.

The Additional Investment and Termination of POA is subsequently completed on 6 February 2026, whereupon the Company's effective interest in SFM had increased from 75.0% to 87.5%.

48. COMPARATIVE FIGURES

Certain figures have been reclassified to conform with the current year's presentation, in order to more fairly reflect the nature of the Group's owner-occupied properties, which are held primarily for the purpose of own occupation.

	As Previously Reported RM'000	As Restated RM'000
Statements of Financial Position (Extract)		
Group		
<u>As At 31 December 2024</u>		
Non-Current Assets		
Property, Plant and Equipment	775,791	852,473
Investment Properties	261,679	184,997
Statements of Cash Flows (Extract)		
Group		
<u>For the financial year ended 31 December 2024</u>		
Cash Flows For Investing Activities		
Payments for purchase of:		
- Property, plant and equipment	(219,210)	(278,676)
- Investment properties	(59,466)	-

STATEMENT BY DIRECTORS

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

We, **GOH MEI SZE** and **KHOO TENG KEAT**, being two of the Directors of **MEGA FIRST CORPORATION BERHAD** state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 of 31 December 2025 and of their financial performance and cash flows for the financial year ended on that date.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 31 MARCH 2026.

GOH MEI SZE

KHOO TENG KEAT

STATUTORY DECLARATION

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

I, **NEO HONG CHEE**, being the officer primarily responsible for the financial management of **MEGA FIRST CORPORATION BERHAD**, do solemnly and sincerely declare that the accompanying financial statements, are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
the abovenamed **NEO HONG CHEE**
at Petaling Jaya
in the state of Selangor
on this 31 March 2026

Before me,

WONG KAI FEN (B456)

Commissioner for Oaths

ADDITIONAL INFORMATION

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

a) Group Total Income and Total Assets

	GROUP	
	2025 RM'000	2024 RM'000
Total Income		
Revenue	1,419,626	1,741,879
Other income	52,790	101,107
Share of profit of associates	4,885	787
Total	1,477,301	1,843,773
Total Assets	4,958,430	5,121,355

b) Business Activities

	GROUP	
	2025 RM'000	2024 RM'000
Shariah Non-Compliant Activities		
Dividend income received from conventional instruments	261	532
Interest income	5,282	3,287
Tobacco, cigarette, electronic cigarettes and their related products and activities	48,208	53,780
Total	53,751	57,599

c) Component of Financial Position

(i) Cash Components

	GROUP	
	2025 RM'000	2024 RM'000
Islamic Accounts/Instruments		
Cash at bank	30,285	23,853
Cash in hand	169	335
Deposits with licensed banks	186,283	103,967
	216,737	128,155
Conventional Accounts/Instruments		
Cash at bank	148,063	88,272
Cash held under Housing Development Accounts	689	680
Deposits with licensed banks	100,644	51,213
	249,396	140,165
Total Cash	466,133	268,320

(ii) Debt Component

	GROUP	
	2025 RM'000	2024 RM'000
Islamic Financing		
Current		
Bank overdrafts	1,057	-
Hire purchase payables	-	575
Revolving credits	85,900	50,500
Term loans	4,555	5,153
Trade financing and loans	27,434	18,857
	118,946	75,085
Non-Current		
Term loans	22,003	25,048
	22,003	25,048
Total Islamic Financing	140,949	100,133
Conventional Borrowings		
Current		
Trade financing and loans	43,702	32,069
Hire purchase payables	1,299	1,991
Revolving credits	187,295	216,883
Term loans	306,159	292,054
	538,455	542,997
Non-Current		
Hire purchase payables	309	1,147
Term loans	352,708	505,876
	353,017	507,023
Total Conventional Borrowings	891,472	1,050,020
Total Debt	1,032,421	1,150,153

MATERIAL CONTRACTS WITH RELATED PARTIES

There was no material contract entered into by the Group involving the interest of Directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2025 or entered into since the end of the previous financial year other than as disclosed in Notes 30 and 44(b) to the financial statements for the financial year ended 31 December 2025.

LIST OF PROPERTIES
HELD AS AT 31 DECEMBER 2025

No.	Description	Location	Approximate Age (years)	Total Area (sq. metre)	Tenure	Year of Acquisition	Year of Last Valuation	Carrying Amount RM'000
1	Quarry and limestone hill	HS (D) KA 46712 PT 3997 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	29	193,300	Leasehold 45 years (Expire in 2065)	1996	1996	2,181
2	Building, office, guardhouse and warehouse	Lot 45158 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	28	22,600	Freehold	1997	1997	3,209
3	Warehouse	Lot 45156 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	14	2,970	Freehold	2011	n/a	425
4	Warehouse	Lot 45158 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	16	864	Freehold	2009	n/a	439
5	Integrated lime kiln and hydration plant	Lot 45155 Geran 58731 Mukim of Kampar 31600 Gopeng Perak Darul Ridzuan	16	22,384	Freehold	2009	n/a	584
6	Integrated lime kiln and hydration plant	Lot 45157 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	29	18,700	Freehold	1996	1996	163
7	Petcoke warehouse	Lot 9479 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	4	1,800	Freehold	2022	2022	2,040
8	Stockyard	Lot 9479 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	12	64,547	Freehold	2013	2012	1,849
9	Stockyard	Lot 21487 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	29	10,600	Freehold	1996	1996	40
10	Stockyard	Lot 312555, 312556, 312557 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	11	62,290	Freehold	2014	2014	2,376
11	Stockyard	Lot 45137, 45138, 45139 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	12	87,817	Freehold	2013	2013	5,481
12	Stockyard	Lot 45156 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	19	16,415	Freehold	2006	2006	386
13	Stockyard	Lot 45160 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	13	25,040	Freehold	2012	2012	1,279
14	Road access	Lot 6252, 6671, 6251, 6738, 13693 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	13	64,041	Freehold	2012	2012	3,564
15	Road access	Lot 23358 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	10	5,893	Freehold	2015	2015	186
16	Road access	Lot 45159 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	6	5,893	Freehold	2019	2019	988

No.	Description	Location	Approximate Age (years)	Total Area (sq. metre)	Tenure	Year of Acquisition	Year of Last Valuation	Carrying Amount RM'000
17	Road access	Lot 26294 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	5	6,829	Freehold	2020	2011	232
18	Agriculture land	Lot 17890 31600 Gopeng Perak Darul Ridzuan	5	29,947	Freehold	2021	2021	1,080
19	Agriculture land	Lot 17886 31600 Gopeng Perak Darul Ridzuan	5	31,110	Freehold	2021	2021	1,160
20	Industrial land	Lot 405027 31600 Gopeng Perak Darul Ridzuan	5	40,510	Leasehold	2021	2021	910
21	Agriculture land	Lot 45146 31600 Gopeng Perak Darul Ridzuan	3	21,651	Freehold	2023	2023	986
22	Agriculture land	Lot 45131 31600 Gopeng Perak Darul Ridzuan	2	41,404	Freehold	2024	2024	1,768
23	Agriculture land	Lot 45140 31600 Gopeng Perak Darul Ridzuan	2	17,224	Freehold	2024	2024	791
24	Quarry and limestone hill	Lot 45152 Mukim Kampar Daerah Kampar Perak Darul Ridzuan	18	16,010	Freehold	2007	n/a	468
25	Quarry and limestone hill and buildings	Lot 311840, PT 1491 Mukim Kampar 31600 Gopeng Perak Darul Ridzuan	18	58,474	Leasehold 45 years (Expire in 2065)	2007	n/a	1,903
26	Quarry and limestone hill	Lot 196932, PT 3962 Mukim Kampar 31600 Gopeng Perak Darul Ridzuan	18	28,328	Leasehold 45 years (Expire in 2065)	2007	n/a	430
27	Quarry and limestone hill	Lot 214245, PN 473113 Mukim Teja 31600 Gopeng Perak Darul Ridzuan	4	170,000	Leasehold 30 years (Expire in 2050)	2022	2022	4,782
28	Agricultural land	Lot 320491 Mukim Teja Daerah Kampar Perak Darul Ridzuan	12	343,980	Leasehold (Expire in 2073)	2013	n/a	10,447
29	Industrial land	PN 397963 Lot 321568 Mukim Teja, Daerah Kampar Perak Darul Ridzuan	8	469,400	Leasehold 45 years (Expire in 2065)	2017	2017	16,045
30	Office and warehouse	Lot 28 Jalan Pengacara U1/48 Temasya Industrial Park Selangor Darul Ehsan	25	892	Freehold	2000	2000	527
31	Industrial land	Lot 4510 Mukim Bastari Jaya Kuala Selangor Selangor Darul Ehsan	28	77,080	Freehold	1997	n/a	1,595
32	Factory land and buildings	Lot 138321, Jalan Changkat Larang P.O. Box 15 31007 Batu Gajah Perak Darul Ridzuan	40	42,576	Leasehold (Expire in 2045)	1985	1985	149

No.	Description	Location	Approximate Age (years)	Total Area (sq. metre)	Tenure	Year of Acquisition	Year of Last Valuation	Carrying Amount RM'000
33	Industrial land	HS (D) 198575 PT 37292 Mukim Sungai Terap Kinta District, Perak Darul Ridzuan	13	7,174	Leasehold 60 years (Expire in 2071)	2012	2012	631
34	Agricultural land	HS (D) 198576 PT 37293 Mukim Sungai Terap Kinta District, Perak Darul Ridzuan	13	14,636	Leasehold 60 years (Expire in 2071)	2012	2012	1,288
35	Factory land and buildings	Lot PT 839 Mukim of Sg. Raia Kinta District, Perak Darul Ridzuan	38	28,850	Leasehold 45 years (Expire in 2065)	1987	n/a	2,577
36	Quarrying limestone hill	Lot PT 23156 Mukim of Sg. Raia Kinta District, Perak Darul Ridzuan	44	36,422	Leasehold 45 years (Expire in 2065)	1981	n/a	783
37	Industrial land	Lot PT 1109 Mukim of Sg. Raia Kinta District, Perak Darul Ridzuan	33	8,099	Leasehold 45 years (Expire in 2065)	1992	n/a	134
38	Agricultural land	Lot 22974 GRN 46180 Mukim of Sg. Raya Kinta District, Perak Darul Ridzuan	13	33,336	Freehold	2012	2011	2,160
39	Quarry land	HS (D) 3238 PT 1008 Mukim of Sg. Raya Kinta District, Perak Darul Ridzuan	13	40,467	Leasehold 45 years (Expire in 2065)	2012	2011	2,724
40	Quarry land	PN 283888 Lot 303752 Mukim of Sg. Raya Kinta District, Perak Darul Ridzuan	13	60,710	Leasehold 45 years (Expire in 2065)	2012	2011	6,689
41	Agricultural land and buildings	Lot 15588 GRN 11527 Mukim of Sg. Raya Kinta District, Perak Darul Ridzuan	13	68,796	Freehold	2012	2011	3,567
42	Agricultural land	Lot 22993 GRN 49450 Mukim of Sg. Raya Kinta District, Perak Darul Ridzuan	13	7,664	Freehold	2012	2011	355
43	Industrial land	PN 70403 Lot 158432 Mukim of Sg. Raya Kinta District, Perak Darul Ridzuan	13	7,522	Leasehold 45 years (Expire in 2065)	2012	2011	502
44	Industrial land	PN 71751 Lot 187404 Mukim of Sg. Raya Kinta District, Perak Darul Ridzuan	13	16,180	Leasehold 45 years (Expire in 2065)	2012	2011	822
45	Industrial land	PN 71752 Lot 197220 Mukim of Sg. Raya Kinta District, Perak Darul Ridzuan	13	12,132	Leasehold 45 years (Expire in 2065)	2012	2011	1,089
46	Corporate office tower and office suite	PJ8, Seksyen 8 46050 Petaling Jaya Selangor Darul Ehsan	19	19,104	Leasehold 99 years (Expire in 2106)	2006	2021	101,000
47	Car park	PJ8, Seksyen 8 46050 Petaling Jaya Selangor Darul Ehsan	19		Leasehold 99 years (Expire in 2106)	2006	2018	6,375

No.	Description	Location	Approximate Age (years)	Total Area (sq. metre)	Tenure	Year of Acquisition	Year of Last Valuation	Carrying Amount RM'000
48	Car park	PT 147622 Greentown, Ipoh Perak Darul Ridzuan	15	11,621	Leasehold 99 years (Expire in 2094)	2010	2021	12,500
49	Car park	Block A, B, C & D Greentown Business Centre Greentown, Ipoh	19 - 26	4,499	Leasehold 99 years (Expire in 2094)	1999 - 2006	2017	3,000
50	6-storey shop office	Wisma MFCB A-1-16, A1-12, A-1-10, A2-10 A-2-01B, A-2-02 Greentown, Ipoh Perak Darul Ridzuan	8	7,785	Leasehold 99 years (Expire in 2094)	2017	2017	1,533
51	4-storey shop office	Lot 8A, 8B, 24C, 29B, 39B, 40, 40A, 40B, Greentown Avenue, Ipoh Perak Darul Ridzuan	8	12,604	Leasehold 99 years (Expire in 2094)	2017	2017	3,532
52	2-storey shop office	PT 1323, 1339, 1340 Mukim of Paya Rumpit Daerah Melaka Tengah, Melaka	8	459	Freehold	2017	2017	968
53	Low cost flat	PN 38656 Mukim Batu Berendam, Daerah Melaka Tengah, Melaka	8	4,030	Leasehold 99 years (Expire in 2100)	2017	2017	2,466
54	3-storey shop office	PT 1126, 1129, 1130, 1175, 1183 Mukim Dengkil, Daerah Sepang Selangor Darul Ehsan	8	1,053	Leasehold 99 years (Expire in 2096)	2017	2017	3,806
55	Vacant land	PN 147624, 295228 Greentown, Ipoh Perak Darul Ridzuan	20	16,188	Leasehold 99 years (Expire in 2094)	2005	2024	26,200
56	Vacant land held for development	Lot 24288, PN 25739 Mukim Setapak Wilayah Persekutuan Kuala Lumpur	38	2,297	Leasehold 99 years (Expire in 2086)	1987	n/a	337
57	Vacant land held for development	PT 134914 Greentown, Ipoh Perak Darul Ridzuan	30	2,982	Leasehold 99 years (Expire in 2103)	1995	n/a	1,051
58	Vacant land held for development	Lot 277 to 279 Mukim of Paya Rumpit Daerah Melaka Tengah, Melaka	32	201,616	Freehold	1993	n/a	9,259
59	Vacant land held for development	Lot 3887-4068, 4070 PT 1135-1166, 1184-1199 Mukim Dengkil, Daerah Sepang Selangor Darul Ehsan	29	214,645	Leasehold 99 years (Expire in 2097)	1996	n/a	29,520
60	Factory land and building	PT 2620 & PT 2621 Lot 31 Seri Iskandar Technology Park, Mukim Bota, Daerah Perak Tengah, 32600 Bota, Perak Darul Ridzuan	29	12,565	Leasehold 99 years (Expire in 2095)	1996	n/a	6,081
61	Single storey terrace house	1858, Lorong Kempas 7/6, Taman Kempas, 08000 Sungai Petani, Kedah Darul Aman	4	115	Freehold	2021	n/a	116

No.	Description	Location	Approximate Age (years)	Total Area (sq. metre)	Tenure	Year of Acquisition	Year of Last Valuation	Carrying Amount RM'000
62	Factory and office	Lot 4915 & Lot 4916 18 & 20, Jalan TTC 26 Taman Teknologi Cheng 75250 Melaka	5 - 12	15,468	Leasehold 99 years (Expire in 2096)	2013 - 2022	2021	11,409
63	Factory and office	Lot 64261, Jalan Tunku Abdul Rahman 76100 Durian Tunggal, Melaka	4	42,490	Leasehold 99 years (Expire in 2112)	2022	2022	55,495
64	Factory and office	Lot 4788-4789, Jalan TTC 29 Taman Perindustrian Cheng Taman Teknologi Cheng 75250 Melaka	16	3,916	Leasehold 99 years (Expire in 2096)	2009	2021	2,144
65	Factory and office	PN 47679 Lot 8821 5A, Jalan TTC 30 Taman Teknologi Cheng 75250 Melaka	7	4,993	Leasehold 99 years (Expire in 2096)	2018	2021	8,178
66	Industrial land	PN 50439 Lot 9422, Mukim Cheng Melaka Tengah, Melaka	4	2,496	Leasehold 99 years (Expire in 2096)	2022	2022	6,816
67	Industrial land and building	HS (D) 184075 PT 87914 Lot 10, Jalan P/10 Kawasan Perusahaan Seksyen 10 43650 Bandar Baru Bangi Selangor Darul Ehsan	33	27,008	Leasehold 99 years (Expire in 2098)	1992	2025	38,638
68	Land and buildings	HS (D) 184076 PT 87915 Lot 10, Jalan P/10 Kawasan Perusahaan Seksyen 10 43650 Bandar Baru Bangi Selangor Darul Ehsan	13 - 33	40,697	Leasehold 99 years (Expire in 2098)	1992	2021	48,319
69	Concession land, infrastructure and plants	Namlear Wildlife Sanctuary Zone Monduliri Province Kingdom of Cambodia	12	6,420 hectares	Leasehold 50 years (Expire in 2063)	2013	n/a	114,890
70	Commercial land	HS (D) 306627 PT 37252 No 30 Persiaran Setia Dagang 40170 Shah Alam Selangor Darul Ehsan	2	13,263	Freehold	2024	n/a	46,090
71	Mixed development land	HS(D) 236524 No PT 18841, HS(D) 236525 No PT 18842, HS(D) 236526 No PT 18843, and HS(D) 236527 No PT 18844 Mukim Belanja, Daerah Kinta Perak Darul Ridzuan	2	3,124,309	Leasehold 99 years (Expire in 2117)	2024	n/a	76,348
72	One and a half storey cluster factory	No. 6, Jalan IHP 1/9, Kawasan Perindustrian Iskandar Halal Park, 81700 Pasir Gudang, Johor	4	798	Freehold	2021	2024	1,800
73	Agricultural land, infrastructure and plants	HS(M) 155 MLO 775 Mukim of Kulai, District of Kulai, Johor	1	16,187	Freehold	2024	n/a	1,732
74	Agricultural land, infrastructure and plants	HS(M) 3401 PTD 31505, and HS(M) 3403 PTD 31508 Mukim of Kota Tinggi, District of Kota Tinggi, Johor	1	27,520	Leasehold 99 years (Expire in 2106)	2024	n/a	3,079

No.	Description	Location	Approximate Age (years)	Total Area (sq. metre)	Tenure	Year of Acquisition	Year of Last Valuation	Carrying Amount RM'000
75	Agricultural land, infrastructure and plants	GRN 95555, Lot 34, and GRN 95553, Lot 35, Mukim of Ulu Sungei Sedeli Besar, District of Kota Tinggi, Johor	14	120,266	Freehold	2011	2024	5,285
76	Agricultural land, infrastructure and plants	Plot 13 & Plot 14, PTD 14212, HS(D) 52253, Mukim Sri Gading, Daerah Batu Pahat, Johor	3	399,770	Lease Agreement (Expire in 2035)	2023	n/a	8,256
77	Agricultural land, infrastructure and plants	PTD 739, Fasa 3, Seluas 20 Ekar, Kg Bukit Taman Merah, Mukim Sermin, Segamat, Johor	0	80,937	Lease Agreement (Expire in 2035)	2025	n/a	3,775
78	Agricultural land, infrastructure and plants	H.S.(D) 3128, No. P.T. 7422 and H.S.(D) 3129, No. P.T. 8138, Chegar Perah, Mukim Batu Yon, District of Lipis, Kuantan, Pahang	10	3,205,113	Lease Agreement (Expire in 2045)	2015	n/a	39,702
79	Agricultural land, infrastructure and plants	PTD 4736, HSD 36654, Mukim Pantai Timur, District of Kota Tinggi, Johor	6	453,248	Lease Agreement (Expire in 2039)	2019	n/a	8,967
80	Building, office, guardhouse and warehouse	Lot 3318, GM787, Jalan Besi Utama Jalan Air Hitam Batu 24, 81000 Kulai, Johor	12	13,329	Freehold	2011	2024	13,263
81	Building, office, guardhouse and warehouse	Lot 3311, GM786, Jalan Besi Utama Jalan Air Hitam Batu 24, 81000 Kulai, Johor	6	11,989	Freehold	2024	2024	14,630
82	Shoplot	No. 4, 6 and 8 Jalan 10/28, Taman Air Biru, 81700 Pasir Gudang, Johor	12	390	Leasehold 99 years (Expire in 2097)	2013	2024	1,650
83	Shoplot	No.49, 51, 53, 55 and 57 Jalan Mangga 7, Taman Kota Masai, 81700 Pasir Gudang, Johor	12	774	Freehold	2013	2024	3,540
84	Shoplot	No.1, 2 and 3 Jalan Sri Sulong, Taman Sri Sulong Mewah, 83500 Batu Pahat, Johor	6	761	Freehold	2019	2024	2,530

STATISTICS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

Total Number of Issued Shares : 988,352,102 shares
 Class of Shares : Ordinary shares
 Voting Rights : One vote per ordinary share on a poll

ANALYSIS OF HOLDINGS

Size of Holding	No. of Holders	No. of Shares Held	% of Shareholdings^
Less than 100	329	15,959	0.002
100 to 1,000	1,572	916,354	0.097
1,001 to 10,000	6,208	25,662,989	2.724
10,001 to 100,000	1,805	55,943,778	5.938
100,001 to less than 5% of issued shares	500	528,380,887	56.079
5% and above of issued shares	3	331,284,335	35.161
Total		942,204,302^	100

(^) Excludes 46,147,800 treasury shares retained by the Company as reflected in the Record of Depositors.

TOP 30 SECURITIES ACCOUNT HOLDERS

No.	Name of Securities Account Holder	No. of Shares held	% of Total Issued Shares
1)	Rubber Thread Industries (M) Sdn Berhad	204,741,000	21.73
2)	Citigroup Nominees (Asing) Sdn Bhd <i>UBS AG Singapore for Keen Capital Investments Limited</i>	77,824,182	8.26
3)	Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board</i>	48,714,853	5.17
4)	Perbadanan Pembangunan Ekonomi Sabah (SEDCO)	29,574,960	3.14
5)	Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board (ISLAMIC)</i>	29,079,787	3.09
6)	Goh Nan Kioh	26,097,456	2.77
7)	PRT Capital Pte Ltd	23,211,200	2.46
8)	Kah Hin Loong Sdn Bhd	21,454,100	2.28
9)	Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board (ABERISLAMIC)</i>	14,659,200	1.56
10)	Shoptra Jaya (M) Sdn Bhd	14,440,000	1.53
11)	Goh Nan Yang	12,594,754	1.34
12)	Grand Terrace Sdn Bhd	12,585,040	1.34
13)	Zulkifli bin Hussain	11,100,000	1.18
14)	Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For iShares Core MSCI Emerging Markets ETF</i>	10,268,400	1.09
15)	Andrew Lim Cheong Seng	9,850,000	1.05
16)	Citigroup Nominees (Tempatan) Sdn Bhd <i>Exempt AN For OCBC Securities Private Limited (Client A/C-R ES)</i>	8,900,000	0.95
17)	Lanai Etika Sdn Bhd	7,708,800	0.82

No.	Name of Securities Account Holder	No. of Shares held	% of Total Issued Shares
18)	HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA For Vanguard Total International Stock Index Fund</i>	7,584,300	0.81
19)	HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA For Vanguard Emerging Markets Stock Index Fund</i>	7,530,000	0.80
20)	UOB Kay Hian Nominees (Tempatan) Sdn Bhd <i>Exempt AN For UOB Kay Hian Pte Ltd (A/C Clients)</i>	7,258,800	0.77
21)	Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board (F TEMPLETON)</i>	6,763,700	0.72
22)	HLIB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Yeow See Yuen</i>	5,532,852	0.59
23)	Hong Leong Assurance Berhad <i>As Beneficial Owner (Life Par)</i>	5,340,500	0.57
24)	CIMB Islamic Nominees (Tempatan) Sdn Bhd <i>CIMB Islamic Trustee Berhad - Kenanga Syariah Growth Fund</i>	5,035,700	0.53
25)	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB For Khoo Teng Keat (PB)</i>	4,690,000	0.50
26)	Citigroup Nominees (Tempatan) Sdn Bhd <i>Kumpulan Wang Persaraan (Diperbadankan) (AHAM AM EQ)</i>	4,375,300	0.46
27)	Affin Hwang Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Yeow See Yuen</i>	4,250,642	0.45
28)	HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA For Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II</i>	3,942,000	0.42
29)	Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board (AMUNDI)</i>	3,830,500	0.41
30)	Hoe Seng Company Pte Limited	3,720,000	0.40
Total		632,658,026	67.19

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholder	Direct Interest		Deemed Interest	
		Shares	% ^	Shares	% ^
1)	Goh Nan Kioh	26,097,456	2.77	315,053,882 ^(a)	33.44
2)	Rubber Thread Industries (M) Sdn Berhad	204,752,700	21.73	7,708,800 ^(b)	0.82
3)	Keen Capital Investments Limited	77,824,182	8.26	212,461,500 ^(c)	22.55
4)	Camasia Limited	1,557,000	0.17	212,461,500 ^(c)	22.55
5)	Laju Riag Sdn Bhd	-	-	212,461,500 ^(c)	22.55
6)	Cam Property (Malaysia) Sdn Bhd	-	-	212,461,500 ^(c)	22.55
7)	Employees Provident Fund Board	106,468,640	11.30	-	-

DIRECTORS' DIRECT AND DEEMED INTERESTS IN SHARES IN THE COMPANY

No.	Director	Direct Interest		Deemed Interest	
		Shares	% ^	Shares	% ^
1)	Goh Nan Kioh	26,097,456	2.77	315,053,882 ^(a)	33.44
2)	Goh Mei Sze	2,000,000	0.21	-	-
3)	Khoo Teng Keat	4,690,000	0.50	-	-
4)	Yeow See Yuen	9,900,494	1.05	-	-
5)	Tay Kheng Chiong	786,462	0.08	-	-
6)	Jesper Bjorn Madsen	500,000	0.05	-	-
7)	Dato' Setia Prof Dr Tan Hui Meng	1,033,000	0.11	2,427,200 ^(d)	0.26
8)	Datin Jeyanthini a/p M. Kannaperan	-	-	-	-
9)	Au Siew Loon	-	-	-	-
10)	Lui Soek Kuen	4,000	0.00	-	-
Total		45,011,412	4.77	317,481,082	33.70

Notes:

^ Based on 988,352,102 issued shares minus 46,147,800 treasury shares retained by the Company as reflected in the Record of Depositors.

(a) Deemed interest by virtue of his interest in Rubber Thread Industries (M) Sdn Berhad, Lanai Etika Sdn Bhd, Keen Capital Investments Limited, PRT Capital Pte Ltd and Camasia Limited pursuant to Section 8 of the Companies Act, 2016 (the Act).

(b) Deemed interest by virtue of its interest in Lanai Etika Sdn Bhd pursuant to Section 8 of the Act.

(c) Deemed interest by virtue of its interest in Rubber Thread Industries (M) Sdn Berhad and Lanai Etika Sdn Bhd pursuant to Section 8 of the Act.

(d) Deemed interest by virtue of his spouse's and children's shareholdings in the Company.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 60th Annual General Meeting (AGM) of Mega First Corporation Berhad (MFCB or the Company) will be held at the Robert's Theatre, The Campus Ampang, Lot 7706, Jalan Kolam Air Lama, Mukim, Hulu Kelang, 68000 Ampang, Selangor on Thursday, 21 May 2026 at 10.00 a.m. for the following purposes:-

ORDINARY BUSINESS

1. To receive Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon. *(Please refer to Note B below)*
2. To approve the following payments to the Non-Executive Directors in respect of the financial year ending 31 December 2026, from 22 May 2026 until the next AGM of the Company.
 - a) Directors' fees of up to RM496,000 *(Ordinary Resolution 1)*
 - b) Directors' meeting allowances of up to RM39,000 *(Ordinary Resolution 2)*
3. To re-elect the following Directors who retire by rotation pursuant to Clause 118 of the Company's Constitution and who being eligible, offer themselves for re-election:-
 - a) Mr Jesper Bjorn Madsen *(Ordinary Resolution 3)*
 - b) Mr Au Siew Loon *(Ordinary Resolution 4)*

Mr Tay Kheng Chiong, who is also due to retire by rotation pursuant to Clause 118 of the Company's Constitution, has expressed his intention to retire from office and not to seek re-election. Therefore, he will retire from office upon the conclusion of the Company's 60th AGM.
4. To re-appoint Crowe Malaysia PLT as auditors of the Company for the financial year ending 31 December 2026 and to authorise the Board of Directors to determine their remuneration. *(Ordinary Resolution 5)*

SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions with or without modifications:

5. **Retention of Mr Jesper Bjorn Madsen as Independent Director** *(Ordinary Resolution 6)*

THAT Mr Jesper Bjorn Madsen who has served for a cumulative term of more than nine (9) years be and is hereby retained as Independent Director of the Company until the conclusion of the next AGM in accordance with the Malaysian Code on Corporate Governance.
6. **Authority to issue shares pursuant to Section 75 and 76 of the Companies Act, 2016** *(Ordinary Resolution 7)*

"THAT, subject always to the Companies Act, 2016 (the Act) and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered and authorised, pursuant to Section 75 and 76 of the Act, to issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person/persons or party/parties whomsoever the Directors may deem fit provided that the aggregate nominal value of shares to be issued during the preceding 12 months does not exceed ten (10) percent of the total number of shares in issue (excluding treasury shares) at the point of issuance of shares and that such authority shall continue in force until the conclusion of the next annual general meeting.

THAT pursuant to Section 85 of the Act, read together with Clause 14 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares pursuant to Section 75 and 76 of the Act. "

7. **Renewal of Share Buy-Back Authority**

(Ordinary Resolution 8)

"THAT, subject always to the Companies Act, 2016 (the Act), rules, regulations and orders made pursuant to the Act, and the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (BMSB) and any applicable laws, rules, regulations and guidelines for the time being in force, the Directors of the Company be and are hereby authorised to:-

- i) purchase shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their discretion deem fit, provided that the aggregate number of shares bought pursuant to this resolution does not exceed ten percent of the total number of shares as quoted on BMSB at the point of purchase and the total funds allocated shall not exceed the total retained earnings of the Company which would otherwise be available for dividends;
- ii) retain the shares so purchased as treasury shares or cancel them or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or to distribute the shares as dividend, and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the MMLR of BMSB and any other relevant authority for the time being in force; and
- iii) take all such steps as are necessary or expedient to implement or to effect the purchase of the shares,

AND THAT the authority conferred by this resolution shall commence immediately and continue to be in force until the conclusion of the next annual general meeting of the Company, unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting or upon the expiration of the period within which the next annual general meeting is required by law to be held, whichever occurs first."

8. To transact any other business that may be transacted at an annual general meeting, due notice of which shall have been previously given in accordance with the Companies Act, 2016 and the Company's Constitution.

By Order of the Board

MEGA FIRST CORPORATION BERHAD

Foo Wen Yunn

Secretary

SSM PC No. 202308000796 (MAICSA 7057965)

Petaling Jaya

29 April 2026

A) ENTITLEMENT OF ATTENDANCE AND APPOINTMENT OF PROXY

- (1) *In respect of deposited securities, only members whose names appear in the Record of Depositors as at 14 May 2026 shall be entitled to attend the AGM or to appoint proxies to attend on their behalf.*
- (2) *A member of the Company entitled to attend and vote at the AGM is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.*
- (3) *In the case of a corporate member, the instrument appointing a proxy or proxies shall be (a) under its common seal; or (b) under the hand of its attorney, and in the case of (b), be supported by a certified true copy of the resolution appointing such officer or certified true copy of the power of attorney.*
- (4) *A member shall, subject to paragraph (5) below, be entitled to appoint no more than 2 proxies to attend and vote at the AGM. Where a member appoints 2 proxies to attend and vote at the AGM, such appointment shall not be valid unless the member specifies the proportion of his/her shareholding to be represented by each proxy.*
- (5) *Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (SICDA) which holds MFCB Shares for multiple beneficial owners in 1 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. Where a member of the Company is an authorised nominee as defined under the SICDA, it may appoint at least 1 proxy in respect of each securities account it holds with MFCB Shares standing to the credit of the said securities account.*
- (6) *The instrument appointing a proxy may be made in hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or at any adjournment thereof:*

In hard copy form

In the case of an appointment is made in hard copy form, the Form of Proxy must be deposited at the registered office of the Company situated at A-12-01, Level 12, Block A, PJ8, 23 Jalan Barat, Seksyen 8, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

By electronic means

The appointment of proxy form can be electronically lodged with the Poll Administrator website via Securities Services e-Portal at <https://sshsb.net.my/>. Please refer to the procedures as stated in the Administrative Guide which is available at the Company's website, www.mega-first.com.

B) AUDITED FINANCIAL STATEMENTS

The agenda is meant for discussion as the provisions of the Companies Act, 2016 do not require a formal approval of the shareholders on the audited financial statements. Hence, the matter will not be put for voting.

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS

1) Non-Executive Directors' Fees and Meeting Allowances

Shareholders' approval is being sought under Resolution 1 and 2 for the payment of the Directors' fees and meeting allowances to Non-Executive Directors, including one potential new Director in respect of the financial year ending 31 December 2026, from 22 May 2026 up till the next AGM of the Company.

The Non-Executive Directors of the Company are entitled to annual Directors' Fees and meeting allowances based on the following structure:

No.	Description	Chairman (RM)	Member (RM)
Directors' Fees			
1.	Board	Nil	55,000
2.	Audit Committee	20,000	12,000
3.	Remuneration Committee	Nil	2,000
4.	Nominating Committee	Nil	2,000
Meeting Allowances		n/a	500 per meeting

2) Re-election of Directors

Clause 118 of the Company's Constitution provides that at every annual general meeting, one-third (1/3) of the Directors are subject to retirement by rotation such that each Director shall retire from office once in every three (3) years. Mr Tay Kheng Chiong, Mr Jesper Bjorn Madsen and Mr Au Siew Loon are subject to retirement by rotation and eligible for re-election at this AGM. Mr Jesper Bjorn Madsen and Mr Au Siew Loon, being eligible, have offered themselves for re-election at this AGM. Meanwhile, Mr Tay Kheng Chiong has expressed his intention to retire from office and not to seek re-election. Therefore, he will retire from office upon the conclusion of the Company's 60th AGM.

The Nominating Committee had assessed the retiring Directors based on the annual assessment and evaluation of the Board, Board Committees and Independent Directors and peers evaluation for financial year 2025 as well as the Fit and Proper Policy. The Board and the Nominating Committee are satisfied that the performance of each of the retiring Directors have met the performance criteria required of an effective and high performance Board and the Board's expectations by continuously discharging their duties diligently as Directors of the Company.

3) Retention of Mr Jesper Bjorn Madsen as Independent Director

Mr Jesper Bjorn Madsen has served the Company as Independent Director for a cumulative term of more than nine (9) years. The Board of Directors, via the Nominating Committee has assessed his independence as defined in the MMLR.

The Nominating Committee and the Board are satisfied that Mr Jesper Bjorn Madsen remains unbiased, objective and independent in expressing his opinions and in participating in the decision making of the Board. He possesses tremendous insights and in-depth knowledge of the Company's business and affairs. The length of his services on the Board has not in any way interfered with his objective and independent judgment in carrying out his role as a member of the Board and relevant Committees. With his skills and vast experience in management, Mr Jesper Bjorn Madsen would be able to contribute during deliberations or discussions of the Board and Board Committees. He has also devoted sufficient attention to his responsibilities as an Independent Director and in carrying out his duty in the best interest of the Company and its shareholders. Based on these justifications, the Board recommends Mr Jesper Bjorn Madsen to continue his office as Independent Director.

Pursuant to the Malaysian Code of Corporate Governance, shareholders' approval will be sought through a two-tier voting process to retain Mr Jesper Bjorn Madsen as Independent Director.

4) Re-appointment of Auditors

The AC has assessed the suitability, effectiveness and independence of Crowe Malaysia PLT from the annual assessment and was satisfied with their independence and performance. The AC had recommended the re-appointment of Crowe Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2026 to the Board for their recommendation to the shareholders for re-appointment at this AGM.

The Board, at the recommendation of the AC, endorsed the re-appointment of Crowe Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2026.

5) Authority to issue shares pursuant to Section 75 and 76 of the Companies Act, 2016

Ordinary Resolution 7 if passed, will empower the Directors to issue new shares up to 10% of the issued share capital (excluding treasury shares) of the Company at the time of issuance, for purposes of funding future investment projects, working capital, acquisitions and so forth. The approval is a renewed general mandate and is sought to provide flexibility and avoid any delay and cost in convening a general meeting for such issuance of shares for fund raising activities, including placement of shares. The authorisation, unless revoked or varied by the Company at a general meeting, will expire at the next AGM. The Company has not issued any new shares under the general authority given at the last AGM.

6) Renewal of Share Buy-Back Authority

Ordinary Resolution 8 if passed, will give the Company the authority to purchase its own ordinary shares of up to 10% of the total number of shares as quoted on Bursa Malaysia Securities Berhad at the point of purchase (Share Buy-Back). This authority, unless renewed or revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM after that date is required by law to be held, whichever occurs first.

For further information, please refer to the Share Buy-Back Statement.

Statement Accompanying Notice of Annual General Meeting

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

- i) The profiles of the Directors who are standing for re-election under Agenda 3 of the Notice of AGM are found in the Profile of Directors section of this Integrated Annual Report 2025.
- ii) Details of the general mandate to issue securities in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016 are set out in Explanatory Note 5 of the Notice of this AGM.

DIRECTORY

Don Sahong Power Company Ltd.

Mr. Khoo Teng Keat

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Mr. John Chu

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Mega First Housing Development Sdn. Bhd.

Gombak Land Sdn. Bhd.

Idaman Harmoni Sdn. Bhd.

Paya Emas Sdn. Bhd.

Mr. Khoo Teng Keat

A-12-01, Level 12, Block A, PJ8,
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Greentown Parking Sdn. Bhd.

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Hexachase Labels Sdn. Bhd.

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Hexachase Flexipack Sdn. Bhd.

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Hexachase Packaging Sdn. Bhd.

Mr. Deric Sim

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Bloxwich (Malaysia) Sdn. Bhd.

Mr. Ong Hock Kheng

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MFP Solar Sdn. Bhd.

MF Solar Tronoh Sdn. Bhd.

Mega First Solar (Maldives) Consortium Pvt. Ltd.

Mr. Goh Chin Loong

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Stenta Films (Malaysia) Sendirian Berhad

Stenta Multifilms Sdn. Bhd.

Dato' Wong Kok Hwa

Lot 10, Jalan P/10,
Kawasan Perusahaan Section 10,
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Chin Sam Chiap Sdn. Bhd.

Chin Sam Chiap Pte. Ltd.

Chin Sam Chiap Plantation Sdn. Bhd.

HF Agriculture Sdn. Bhd.

CSC Integrated Herbal Farm Sdn. Bhd.

Dato' Chin Boon Tak

Lot 3318, Jalan Besi Utama,
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cschomefresh@homefresh.com.my

Mega First Plantation (Cambodia) Limited

Mega First Green Harvest (Cambodia) Co., Ltd.

Mr. Neo Hong Chee

A-12-01, Level 12, Block A, PJ8,
No. 23 Jalan Barat, Seksyen 8,
46050 Petaling Jaya, Selangor Darul Ehsan.

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mfc@mega-first.com

Setia Alam Medical Centre Sdn. Bhd.

Ms. Goh Mei Sze

A-12-01, Level 12, Block A, PJ8,
No. 23 Jalan Barat, Seksyen 8,
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mfc@mega-first.com

**MEGA FIRST CORPORATION BERHAD**

Reg. No. 196601000210 (6682-V)
(Incorporated in Malaysia)

FORM OF PROXY

(To be completed in block letters)

No. of MFCB shares held:

CDS Account Number:

I/We _____
(Full Name as per NRIC/Certificate of Incorporation in block letters)

Registration No. / NRIC No. / Passport No. _____

of _____
(Full address/ Tel no.)

being a member of MEGA FIRST CORPORATION BERHAD ("the Company") hereby appoint:

Full Name (in Block Letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of MFCB Shares	%
Address:			
Email Address:			
Tel No:			

AND / OR

Full Name (in Block Letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of MFCB Shares	%
Address:			
Email Address:			
Tel No:			

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to attend and, on a poll, to vote for me/us on my/our behalf at the 60th Annual General Meeting of the Company, to be held at the Robert's Theatre, The Campus Ampang, Lot 7706, Jalan Kolam Air Lama, Mukim, Hulu Kelang, 68000 Ampang, Selangor on Thursday, 21 May 2026 at 10:00 a.m. and at any adjournment thereof, in the manner indicated below:

RESOLUTIONS		For	Against	Abstain
1.	Payment of Directors' Fees of up to RM496,000.			
2.	Payment of Directors' Meetings Allowances of up to RM39,000.			
3.	Re-elect Mr Jesper Bjorn Madsen as Director.			
4.	Re-elect Mr Au Siew Loon as Director.			
5.	Re-appoint Crowe Malaysia PLT as auditors and authorise the Board of Directors to fix their remuneration.			
6.	Retention of Mr Jesper Bjorn Madsen as Independent Director.			
7.	Authority to issue shares pursuant to Section 75 and 76 of the Companies Act 2016.			
8.	Renewal of Share Buy-Back Authority.			

(Please indicate with an (X) in the space provided as to how you wish your vote to be cast. If no indication is given, my/our proxy shall vote or abstain as he/she thinks fit).

Date:
Contact Number:

Signature/Common Seal of Shareholder



NOTES:

- (1) Depositors whose names appear in the Record of Depositors as at 14 May 2026 shall be regarded as members of the Company entitled to attend the AGM or to appoint proxies to attend on their behalf.
- (2) A member of the Company entitled to attend and vote at the AGM is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
- (3) In the case of a corporate member, the instrument appointing a proxy or proxies shall be (a) under its common seal; or (b) under the hand of its attorney, and in the case of (b), be supported by a certified true copy of the resolution appointing such officer or certified true copy of the power of attorney.
- (4) A member shall, subject to paragraph (5) below, be entitled to appoint no more than 2 proxies to attend and vote at the AGM. Where a member appoints 2 proxies to attend and vote at the AGM, such appointment shall not be valid unless the member specifies the proportion of his/her shareholding to be represented by each proxy.
- (5) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (SICDA) which holds MFCB Shares for multiple beneficial owners in 1 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. Where a member of the Company is an authorised nominee as defined under the SICDA, it may appoint at least 1 proxy in respect of each securities account it holds with MFCB Shares standing to the credit of the said securities account.
- (6) The instrument appointing a proxy may be made in hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or at any adjournment thereof:

In hard copy form

In the case of an appointment is made in hard copy form, the Form of Proxy must be deposited at the registered office of the Company situated at A-12-01, Level 12, Block A, PJ8, 23 Jalan Barat, Seksyen 8, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

By electronic means

The appointment of proxy form can be electronically lodged with the Poll Administrator website via Securities Services e-Portal at <https://sshsb.net.my/>. Please refer to the procedures as stated in the Administrative Guide which is available at the Company's website, www.mega-first.com.

Please fold here

Affix
Postage
Stamp

The Company Secretary
MEGA FIRST CORPORATION BERHAD
A-12-01, Level 12, Block A, PJ8
23, Jalan Barat, Seksyen 8
46050 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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MFCB

MEGA FIRST CORPORATION BERHAD

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