RHONE MA HOLDINGS BERHAD

201401040077 (1116225-A)

ANNUAL REPORT 2025

CONTENTS

RHONE MA VALUES

Mission

Providing customers with quality products and services through a dedicated qualified organisation committed to continuous improvement.

Vision

To be an innovative leader in the provision of products, services and solutions.

CORE VALUES

CUSTOMER
Sensitive to the needs of customers to meet their expectations.

RESPECTING PEOPLE
Prioritise communication, trust and needs of persons who are affected by our activities.

INTEGRITY
Mutual trust to give our best in the way we act.

INNOVATION
An environment that promotes creativity and breakthroughs in customer service.

EMPOWERMENT
The authority given to perform functions given the knowledge, skills and competence.

TEAMWORK
Working together to achieve objectives in our daily work.

PERFORMANCE
Objectives and priorities prevail as a company culture.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Hamzah Bin Mohd Salleh
Independent Non-Executive Chairman

Dr. Lim Ban Keong
Group Managing Director

Foong Kam Weng
Executive Director

Dr. Yip Lai Siong
Non-Independent Non-Executive Director

Rahanawati Binti Ali Dawam
Independent Non-Executive Director

Teoh Chee Yong
Independent Non-Executive Director

Oei Kok Eong
Independent Non-Executive Director

COMPANY SECRETARIES

Tai Yit Chan
(MAICSA 7009143)/(SSM PC No.: 202008001023)

Tan Ai Ning
(MAICSA 7015852)/(SSM PC No.: 202008000067)

Tel: (603) 7890 4800, Fax: (603) 7890 4650

REGISTERED OFFICE

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

Tel: (603) 7890 4800, Fax: (603) 7890 4650
Email: info.my@boardroomlimited.com

CORPORATE INFORMATION

CORPORATE OFFICE

Lot 18A & 18B, Jalan 241
Seksyen 51A
46100 Petaling Jaya
Selangor Darul Ehsan

Tel: (603) 7873 7355, Fax: (603) 2770 0119
Email: customercareline@rhonema.com
Website: www.rhonema.com

AUDITORS

BDO PLT
Level 8
BDO @ Menara CenTARa
360, Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur

Tel: (603) 2616 2888, Fax: (603) 2616 3190

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad

Public Bank Berhad

HSBC Bank Malaysia Berhad

HSBC Amanah Malaysia Berhad

SHARE REGISTRAR

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

Tel: (603) 7890 4700, Fax: (603) 7890 4670
Email: bsr.helpdesk@boardroomlimited.com

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Shares
Stock Code: 5278
Stock Name: RHONEMA

GROUP FINANCIAL HIGHLIGHTS

Financial Year Ended 31 December		2021	2022	2023	2024	2025
Operating Results						
Revenue	RM'000	169,431	198,152	202,935	211,405	**223,684**
Profit before tax	RM'000	17,605	19,048	18,504	19,195	**21,063**
Net profit attributable to shareholders	RM'000	11,268	12,738	12,081	12,307	**14,161**
Financial Position						
Shareholders' equity	RM'000	131,365	153,335	160,979	167,789	**175,691**
Total assets	RM'000	195,807	219,435	230,591	225,237	**258,487**
Total borrowings	RM'000	32,786	28,716	31,481	22,875	**20,022**
Financial Ratios						
Gearing ratio	times	0.25	0.19	0.20	0.14	**0.11**
Current ratio	times	3.28	3.50	3.95	5.40	**3.04**
Market Ratios						
Earnings per share	sen	5.61	5.86	5.46	5.56	**6.41**
Net assets per share	sen	65.40	69.31	72.77	75.85	**79.81**
Dividend per share	sen	2.00	2.00	2.00	2.50	**2.50 #**

#Of which 1.00 sen per share is subject to shareholders' approval at the forthcoming Annual General Meeting.

CORPORATE STRUCTURE

RHONE MA HOLDINGS BERHAD
201401040077
(1116225-A)

- 100% — **Rhone Ma Malaysia Sdn Bhd** 200001023279 (525887-W)
- 100% — **APSN Lifescience Sdn Bhd** 200501025495 (707628-A)
  - 100% — **APSN Biotech Sdn Bhd** 201701002467 (1216617-P)
  - 100% — **APSN Healthcare & Diagnostics Sdn Bhd** 201801006332 (1268346-M)
- 100% — **Link Ingredients Sdn Bhd** 200701013108 (771113-W)
- 100% — **Vet Food Agro Diagnostics (M) Sdn Bhd** 200101024963 (560721-X)
- 49% — **A2 Fresh Holdings Sdn Bhd** 202001040908 (1397229-D)
  - 100% — **One Lazuli Sdn Bhd** 199201023221 (254725-A)
  - 100% — **Nor Lazuli Nutrition Sdn Bhd** 201701031671 (1245841-D)
  - 100% — **Nor Livestock Farm Sdn Bhd** 201301040604 (1070427-A)
  - 35% — **Jemaluang Dairy Valley Sdn Bhd** 202201036201 (1481898-W)

RHONE MA IN THE NEWS

SING

JDV agro-tourism hub in the making: Rhone Ma

Company will maintain strict biosecurity standards and high-tech production at Jemaluang Dairy Valley to support Malaysia's food security

DAIRY VENTURE ... The Johor state government on Tuesday marked a significant milestone in advancing the nation's food security agenda with the groundbreaking ceremony of the Jemaluang Dairy Valley (JDV) Milk Processing Plant, officiated by Johor Menteri Besar Datuk Onn Hafiz Ghazi at the Jemaluang Dairy Valley complex, Mersing. The ceremony was attended by senior representatives from federal and state agencies, as well as leaders from Johor Corporation Group (JCorp) and Rhone Ma Holdings Bhd. Starting third from left: State Unity, Heritage and Culture Committee chairman Raven Kumar Krishnasamy, State Agriculture, Agro-based Industry and Rural Development Committee chairman Datuk Zahari Sarip, Onn Hafiz, JCorp president and CEO Datuk Syed Mohamed Syed Ibrahim, Rhone Ma Holdings group managing director Lim Ban Keong and JDV CEO Qasem Alhasan.

BH ONLINE **MEDIA RUJUKAN MASSA:** Portal berita No. 1 di Malaysia

Rhone Ma dapat kontrak RM15.64 juta bina barisan pemprosesan tenusu di Mersing

Kompleks Lembah Tenusu Jemaluang

KUALA LUMPUR: Unit Rhone Ma Holdings Bhd, Link Ingredients Sdn Bhd hari ini memperoleh kontrak berjumlah RM15.64 juta daripada Jemaluang Dairy Valley Sdn Bhd untuk membina barisan pemprosesan susu dan susu segar 4,000 liter sejam di Kompleks Lembah Tenusu Jemaluang di Mersing, Johor.

BUSINESS TODAY

Rhone Ma Declares 1.5 Sen Interim Dividend On Strong 9M25 Profit Growth

Rhone Ma Holdings Bhd, a leading animal health solutions provider and food ingredients distributor, announced a single-tier interim dividend of 1.5 sen per share for the financial year ending Dec 31, 2025.

RHONE MA IN THE NEWS

THE EDGE MALAYSIA

Rhone Ma surges to near 10-month high in active trade after plant contract

KUALA LUMPUR (July 28): Rhone Ma Holdings Bhd (KL:RHONEMA) surged on Monday to its highest in nearly 10 months, after the animal health products maker announced a RM15.64 million contract

中国报 CHINA PRESS

获1564万新合约 龙马跃控股飙高20%

2025年7月28日 责任编辑: 财经小编

（吉隆坡28日讯）龙马跃控股（RHONEMA，5278，主要板消费）斩获柔佛牛奶加工厂合约，消息带动该股今日早盘一度冲高12仙或19.5%至73.5仙，写下2023年6月以来最高点。

龙马跃控股今早以65仙开高，在投资者追捧下走势一路向北，在开盘不到半小时更一度触及73.5仙高点，升幅为12仙或19.5%。

截至早上10时，该股暂报70仙，起8.5仙或13.8%，成交量有280万7000股，为全场第6大上升股。

aviNews.com

Rhone Ma at 25: Advancing in animal health solutions

At Livestock Malaysia 2025, Rhone Ma marked 25 years of advancing poultry and swine health.

ANIMAL HEALTH & PATHOLOGY

Malaysia-based Rhone Ma is celebrating 25 years of operations, underscoring its role as a pioneer in animal health solutions and its continued commitment to innovation, food security, and the next generation of veterinary professionals.

The Star

Milking high-tech aid for production, food security

JOHOR expects to increase its annual fresh milk production to 15 million litres through the Jemaluang Dairy Valley (JDV) project in Mersing.

State agriculture, agro-based industry and rural development committee chairman Datuk Zahari Sarip said the project was expected to position Johor as one of the country's leading dairy producers, while also strengthening food security in the country.

BOARD OF DIRECTORS

Front (From left to right)

Foong Kam Weng
Executive Director

Dato' Hamzah Bin Mohd Salleh
Independent Non-Executive Chairman

Dr. Lim Ban Keong
Group Managing Director

Back (From left to right)

Dr. Yip Lai Siong
Non-Independent Non-Executive Director

Rahanawati Binti Ali Dawam
Independent Non-Executive Director

Teoh Chee Yong
Independent Non-Executive Director

Oei Kok Eong
Independent Non-Executive Director

DIRECTORS' PROFILE

DATO' HAMZAH BIN MOHD SALLEH

Independent Non-Executive Chairman

Dato' Hamzah, a Malaysian male aged 77, was appointed to the Board on 1 April 2015. He graduated with a Diploma in Management from Malaysian Institute of Management in 1980. Subsequently in 1989, he obtained a Master of Business Administration from University of Bath, United Kingdom.

Dato' Hamzah articled at Price, Waterhouse & Co. (now known as PricewaterhouseCoopers) in 1969. He left Price, Waterhouse & Co. as an Audit Assistant in 1974 to join Pillar Naco Malaysia Sdn Bhd, a company involved in the fabrication of architectural metal as the Finance and Administration Manager in 1975. In 1981, he left Pillar Naco Malaysia Sdn Bhd and joined Pernas Sime Darby group where he held several senior managerial positions within the Pernas Sime Darby group and the Sime Darby group of companies. His last position was the General Manager of Sime Swede Distribution Services Sdn Bhd before he left in September 1994. He joined Malaysia Aica Berhad (now known as Sunsuria Berhad) as an Executive Director in 1995 and was redesignated as a Non-Executive Director in January 1997. Dato' Hamzah resigned as a Non-Executive Director of Malaysia Aica Berhad in 2001.

In April 1996, Dato' Hamzah was appointed as a Non-Executive Director of Spanco Sdn Bhd, a company involved in providing fleet management services and he subsequently joined Spanco Sdn Bhd as an Executive Director in February 1997. His last position was the Deputy Chairman of Spanco Sdn Bhd before he left in December 2022. Dato' Hamzah is also the Independent Non-Executive Chairman of Techbond Group Berhad and SFP Tech Holdings Berhad both of which are listed on Bursa Malaysia Securities Berhad, and director of various other private limited companies.

Dato' Hamzah does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025.

DIRECTORS' PROFILE (CONTINUED)

DR. LIM BAN KEONG

Group Managing Director

Dr. Lim, a Malaysian male aged 54, was appointed to the Board on 1 April 2015. He graduated from Universiti Putra Malaysia with a Doctor of Veterinary Medicine in 1997. He is a veterinary surgeon registered with the Malaysian Veterinary Council since 1997 and a member of the Veterinary Association Malaysia since 1998.

Dr. Lim began his career as Technical Sales Executive at Pahang Pharmacy Sdn Bhd in 1997 where he was responsible for providing veterinary services and promoting veterinary products to swine and poultry farms. He left Pahang Pharmacy Sdn Bhd in 1998 and joined Rhone-Poulenc Malaysia Sdn Bhd (which was subsequently known as Rhodia Malaysia Sdn Bhd in 1998) as a Techno-Commercial Executive in the animal health division. He was in charge of the product portfolio covering veterinary pharmaceutical and biological products during his tenure with Rhodia Malaysia Sdn Bhd. Subsequently in 2000, he left Rhodia Malaysia Sdn Bhd and joined Rhone Ma Malaysia Sdn Bhd which acquired the animal health division of Rhodia Malaysia Sdn Bhd. Since then, Dr. Lim has been the Techno-Commercial Manager of Rhone Ma Malaysia Sdn Bhd and was subsequently promoted to General Manager in 2010 and assumed the role of Managing Director in 2013.

Currently, Dr. Lim is our Group Managing Director where he is responsible for the overall management of our Group's operations, strategic planning and development of our business strategies. He does not hold any directorship in other public companies.

Dr. Lim does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025.

DIRECTORS' PROFILE (CONTINUED)

FOONG KAM WENG

Executive Director

Mr. Foong, a Malaysian male aged 65, was appointed to the Board on 1 April 2015. He graduated with a Degree of Bachelor of Science from the Department of Animal Husbandry, College of Agriculture, National Chung-Hsing University, Taiwan in 1983.

Mr. Foong joined Sin Kian Huat Farming Sdn Bhd in 1984 as a Farm Manager where he was responsible for the management of the farm. In 1987, he left Sin Kian Huat Farming Sdn Bhd and joined Pfizer Private Limited as a Sales Representative in the animal health division and was responsible for the sales activities in Selangor and East Coast of Peninsular Malaysia. He left Pfizer Private Limited in 1991 and joined Rhone-Poulenc Malaysia Sdn Bhd (which was subsequently known as Rhodia Malaysia Sdn Bhd in 1998) as a Techno-Commercial Executive in the animal health division where he was in charge of the sales activities in Malaysia, Singapore and Brunei. In 2000, Mr. Foong left Rhodia Malaysia Sdn Bhd and established Rhone Ma Malaysia Sdn Bhd, which acquired the animal health division of Rhodia Malaysia Sdn Bhd. Since then, he has been the Sales Manager of Rhone Ma Malaysia Sdn Bhd and was subsequently promoted to Director of Sales in 2010. In 2014, Mr. Foong was redesignated Group Sales Director, a position he held until his transition into the role of advisor to our Group's livestock commercial team and food ingredients business in 2024. He does not hold any directorship in other public companies.

Mr. Foong does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025.

DIRECTORS' PROFILE (CONTINUED)

DR. YIP LAI SIONG

Non-Independent Non-Executive Director

Dr. Yip, a Malaysian female aged 63, was appointed to the Board on 1 April 2015. She graduated from National Taiwan University with a Bachelor of Veterinary Medicine in 1987. Dr. Yip is also a veterinary surgeon registered with the Malaysian Veterinary Council, an Accredited Veterinarian (Scope of Services - Management Biologic and Veterinary Drugs) by Department of Veterinary Service, Malaysia and a life member of the Veterinary Association Malaysia since 2013.

Dr. Yip started her career with Che Dar Pharmaceutical Co. in Taiwan as a Technical Coordinator in 1987 where she was responsible for technical support and laboratory testing. She then returned to Malaysia and joined Coopers Animal Health (M) Sdn Bhd as a Sales and Technical Coordinator in 1989 and was promoted to Field Service Manager in 1991. During her tenure with Coopers Animal Health (M) Sdn Bhd, she was responsible for the provision of technical services and veterinary services to customers as well as for the sales of the company's animal health products. In 1993, she joined Sanofi (Malaysia) Sdn Bhd as a Technical Executive and was promoted to Technical Manager before she left the company in 1995. She then joined Rhone-Poulenc Malaysia Sdn Bhd (which was subsequently known as Rhodia Malaysia Sdn Bhd in 1998) as a Techno-Commercial Manager in 1995, where she was responsible for the marketing of avian biological and pharmaceutical products and providing veterinary advisory services to the customers. In 2000, she left Rhodia Malaysia Sdn Bhd and joined Rhone Ma Malaysia Sdn Bhd which acquired the animal health division of Rhodia Malaysia Sdn Bhd. Since then, Dr. Yip has been the Senior Techno-Commercial Manager of Rhone Ma Malaysia Sdn Bhd prior to her promotion as the Technical Service Director in 2010. In 2014, Dr. Yip was redesignated Group Marketing & Technical Director, a position she held until her transition into the role of advisor to our Group's livestock commercial team in 2024. Dr. Yip retired from her executive functions at the end of 2025 and was redesignated as a Non-Independent Non-Executive Director in 2026. She does not hold any directorship in other public companies.

Dr. Yip does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. She has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025.

DIRECTORS' PROFILE (CONTINUED)

RAHANAWATI BINTI ALI DAWAM

Independent Non-Executive Director

Pn. Rahanawati, a Malaysian female aged 73, was appointed to the Board on 1 April 2015. She graduated with a Bachelor of Laws (Hons) from University of Buckingham, United Kingdom in 1983. Subsequently in 1998, Pn. Rahanawati obtained a Master of Laws from University of Malaya. Pn. Rahanawati is also the Chairman of the Nominating Committee and a member of the Audit and Risk Management Committee and the Remuneration Committee.

Pn. Rahanawati began her legal career as a Legal Officer at Syarikat Perumahan Pegawai Kerajaan Sdn Bhd in 1985. She left the company as the Head of Legal Unit before she joined Sentosa Corporation Berhad (then a public listed company) in 1993 as Group Legal Adviser and Company Secretary where she was responsible for the corporate and legal matters of the company. In 1997, she left Sentosa Corporation Berhad and she was admitted to the Malaysian Bar in 1998. Pn. Rahanawati joined the legal firm, Abu Talib Shahrom as an associate in the same year. In 2020, Pn. Rahanawati left her position as a senior partner of Abu Talib Shahrom and joined the legal firm, Rahana Zurina & Partners as a senior partner. In 2023, Pn. Rahanawati left her position as a senior partner of Rahana Zurina & Partners and set up the legal firm, Rahana Shazlinaah Normala & Partners as a senior partner. Pn. Rahanawati also sits on the board of several private limited companies. She does not hold any directorship in other public companies.

Pn. Rahanawati does not have any family relationship with any director and/ or major shareholder of the Company, nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. She has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025.

DIRECTORS' PROFILE (CONTINUED)

TEOH CHEE YONG

Independent Non-Executive Director

Mr. Teoh, a Malaysian male aged 55, was appointed to the Board on 1 April 2015. He graduated from Universiti Utara Malaysia with a Bachelor of Accountancy (Hons) in 1996 and is a Chartered Accountant of the Malaysian Institute of Accountants since 1999. Mr. Teoh is also the Chairman of the Audit and Risk Management Committee and a member of the Remuneration Committee and the Nominating Committee.

Mr. Teoh started his career as an Audit Assistant at Ernst and Young in 1996 where he was involved in the statutory audit of private and public limited companies. He then joined NEC Computers (Malaysia) Sdn Bhd as a Senior Regional Accountant in 1999 and was responsible for the accounting and finance functions of the company. In 2001, he joined Visa Worldwide Pte Ltd in Singapore where he held various regional roles including Manager for internal audit, treasury and taxation, Senior Manager for financial reporting, management reporting and finance operations and Finance Controller for business and functional divisions. He left the company as a Senior Business Leader, Head of Sales Support for Asia Pacific, Central Europe, Middle East and Africa in 2010. Mr. Teoh returned to Malaysia to join CIMB Bank Berhad in 2011 as a Vice President for Business Planning at Group Cards and Personal Financing Division where he was responsible for business planning activities covering the ASEAN markets. He left CIMB Bank Berhad in 2012 and joined RHB Banking Group in the same year. Mr. Teoh is currently the Lead Group Operations Performance Excellence Management and Governance CoE at RHB Banking Group and also sits on the board of several private limited companies. He does not hold any directorship in other public companies.

Mr. Teoh does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025.

DIRECTORS' PROFILE (CONTINUED)

OEI KOK EONG

Independent Non-Executive Director

Mr. Oei, a Malaysian male aged 72, was appointed to the Board on 25 February 2026. He graduated from the University of Singapore with a Bachelor's Degree in Mechanical Engineering in 1977. Mr. Oei is also the Chairman of the Remuneration Committee, as well as a member of the Audit and Risk Management Committee and the Nominating Committee.

Mr. Oei started his career in Jardine Parrish, Singapore, as a project and maintenance engineer and then worked in Rothmans, Petaling Jaya, in their manufacturing plant. Since then he has been involved in the automotive component industry for more than forty (40) years, initially as Operations Manager of a greenfield company, Kayaba (Malaysia) Sdn Bhd, a joint-venture between a Japanese PLC and UMW Holdings Berhad, and rose to the position of General Manager/Director. In 2004, Mr. Oei headed the Autoliv group of companies in Malaysia, a division of Hirotako Holdings Berhad, manufacturing seat belts, steering wheels and airbags systems. Mr. Oei was then appointed as an Executive Director of APM Automotive Holdings Berhad in 2006 and was responsible for overseas operations until his retirement in 2011.

Over the years, Mr. Oei had served in various positions in the Malaysian Automotive Component Parts Manufacturers Association (MACPMA) and working/technical committees of SIRIM. He initiated and headed the Toyota Suppliers Club's Lean Manufacturing activities for several years and was also the founding Chair of the Malaysian Chapter of the Society of Automotive Engineers in 2000. Up till 2023, Mr. Oei was a business coach, mentoring a group of business owners/CEOs in association with Vistage Malaysia Sdn Bhd. Mr. Oei also serves as an Independent Non-Executive Director of SMIS Corporation Berhad, New Hoong Fatt Holdings Berhad and HPMT Holdings Berhad, all of which are listed on Bursa Malaysia Securities Berhad.

Mr. Oei does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025.

KEY MANAGEMENT

Front (From left to right)

Foong Kam Weng
Executive Director

Dr. Lim Ban Keong
Group Managing Director

Calvin Chan Yan San
Group Finance Director

Back (From left to right)

Dr. Chua Chee Heng
Group General Manager – Commercial & Services

Johan Bin Nasir Yeo
Group General Manager – Operations

KEY MANAGEMENT'S PROFILE

The profiles of Dr. Lim Ban Keong and Foong Kam Weng have been detailed out in the Directors' Profile section of this Annual Report while the profiles of the other key management of our Group are as follows:

CALVIN CHAN YAN SAN

Group Finance Director

Calvin Chan, a Malaysian male aged 56, is primarily responsible for the financial and accounting, human resources and commercial services functions of our Group. He graduated from the University of New South Wales, Australia with a Bachelor of Commerce in 1992. He is a Certified Practising Accountant of CPA Australia since 1996 and a Chartered Accountant of the Malaysian Institute of Accountants since 1997.

Calvin began his career in 1993 with Arthur Andersen & Co. as an Audit Assistant where he was responsible for statutory audit of private and public limited companies, internal audit review and fraud investigation exercise. He left Arthur Andersen & Co. as a Manager in 2000 to join Federal Paint Factory Sdn Bhd as a Finance Manager. In 2001, he was promoted to Chief Executive Officer cum Finance Manager where he was responsible for overseeing the company's marketing and business development activities, implementation of approved development plans and policies as well as handling all matters pertaining to accounting and finance. He then joined Prestasi Flour Mill (M) Sdn Bhd in 2004 as the Financial Controller where he was responsible for all accounting and finance matters of the company. In 2005, he joined Furniweb Industrial Products Berhad (now known as PRG Holdings Berhad) as Group Financial Controller and was promoted to Chief Financial Officer in 2008. During his tenure with Furniweb Industrial Products Berhad, he was responsible for numerous functions within the group including accounting, finance, human resource, administration and information technology matters. Calvin left Furniweb Industrial Products Berhad and joined our Group as Finance Director in 2014. He is also a director of KHPT Holdings Berhad, a public company.

He does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025.

KEY MANAGEMENT'S PROFILE (CONTINUED)

DR. CHUA CHEE HENG

Group General Manager - Commercial & Services

Dr. Chua Chee Heng, a Malaysian male aged 45, is primarily responsible for the overall general administrative and commercial functions including laboratory as well as the companion animal department of our Group. He graduated from Universiti Putra Malaysia with a Doctor of Veterinary Medicine in 2005. He is also a veterinary surgeon registered with the Malaysian Veterinary Council.

Dr. Chua began his career in 2005 as a Veterinarian at Global Pets Sdn Bhd where he was responsible for attending to clinical cases on a daily basis. He was promoted to Branch Manager in 2006, overseeing the overall branch operations. He was then promoted to Human Resource Manager in 2007 where he was responsible for all human resource matters of the company. In 2009, he was promoted to Human Resource & Purchasing Manager overseeing the company's human resource matters, purchasing and inventory management. He then joined Rhone Ma Malaysia Sdn Bhd in 2013 as Techno-Commercial Manager (Marketing) where he managed the marketing activities for the companion animal department. He was then promoted to Techno-Commercial Manager (Sales) in 2015, Senior Techno-Commercial Manager in 2018 and subsequently to Group General Manager - Commercial & Services in 2021.

He does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He does not hold any directorship in public companies, has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025.

KEY MANAGEMENT'S PROFILE (CONTINUED)

JOHAN BIN NASIR YEO

Group General Manager - Operations

Johan Bin Nasir Yeo, a Malaysian male aged 38, is responsible for the overall operational functions including warehouse and logistics, engineering and maintenance, information technology services, as well as Good Manufacturing Practice compliant manufacturing activities of our Group. He is also our Group's health and safety team leader. He graduated from University Centre César Ritz in Switzerland with a Bachelor of International Business in 2009.

Johan began his career in 2009 as a project coordinator for Pembangunan Samudera Sdn Bhd where he was responsible for handling several mixed development projects and was one of the main liaisons between contractors, consultants and the local authority. In 2010, he left the company and joined Sabah International Dairies Sdn Bhd as a Business Development Manager where he was responsible for the development of new products, management of several key accounts, and part of the planning team for plant expansion. He was promoted to General Manager in 2016 with the added responsibilities of plant management, quality control and assurance, human resources, maintenance and legal affairs. Johan then joined our Group as Deputy General Manager in 2020 and was promoted to Group General Manager - Operations in 2022.

He does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He does not hold any directorship in public companies, has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, it is my pleasure to present the Annual Report and Audited Financial Statements of Rhone Ma Holdings Berhad for the financial year ended 31 December 2025.

In reviewing the year's performance, we look back on a period characterised by a stabilising yet cautious global economic environment. Malaysia's economy remained on a steady growth path, supported by resilient domestic spending and a recovery in external trade. For Rhone Ma, 2025 was a year of strategic consolidation where we successfully navigated fluctuations in raw material costs and exchange rate volatility by leveraging our diversified growth. Amidst a global landscape that began to find its footing after years of volatility, our Group has remained steadfast in its mission to provide exemplary end-to-end animal health solutions and distribute food ingredients. By leveraging our deep technical expertise and strategic partnerships, we have weathered the challenges of 2025 to deliver a performance that reinforces our market leadership and commitment to long-term value creation.

CULTIVATING RESILIENCE AND SUSTAINABILITY THROUGH STRATEGIC INNOVATION

A definitive highlight of the year was our strategic investment into the upstream dairy sector, marked by the historic groundbreaking ceremony of the integrated milk processing plant in Jemaluang Dairy Valley Sdn Bhd ("JDV"), in Jemaluang, Mersing, in February 2026. Spanning 275 hectares, this cornerstone project will house over 1,000 A2 Jersey-Friesian cattle and feature a sophisticated RM15.6 million processing line designed to drive future growth. By controlling the value chain from "grass to glass", we are not only diversifying our revenue streams but also contributing significantly to Malaysia's national food security and self-sufficiency in fresh milk production.

Simultaneously, our Biru-Putih-Hati initiative has continued to gain momentum as a movement dedicated to sustainable and nutritious food. By fostering partnerships across the livestock industry, we are building an ecosystem that ensures food security and health for the nation, welcoming new members to the programme to solidify our footprint across the country and promote high-quality, traceable animal proteins.

PROSPECTS

As we look toward 2026, Rhone Ma is poised to capitalise on structural shifts across all our operating segments. The global animal health sector is projected to reach approximately USD156.00 billion by 2033 from USD68.70 billion in 2025, driven by the increasing professionalisation of livestock farming and the widespread adoption of "One Health" biosecurity standards. Our animal health products and equipment segment remains a bedrock of the business, bolstered by steady demand for specialised vaccines and veterinary pharmaceuticals as producers seek to mitigate risks from emerging

CHAIRMAN'S STATEMENT (CONTINUED)

zoonotic diseases. In the companion animal market, we are witnessing an unprecedented trajectory as pets are increasingly viewed as family members, fuelling demand for advanced diagnostics and premium wellness products, a trend that perfectly aligns with our high-quality pharmaceutical and nutritional portfolios.

In our food ingredients segment, we are strategically positioned to benefit from the tightening of global food safety standards and the rising consumer consciousness regarding "clean label" and functional nutrition. As the Asia Pacific food ingredients market is expected to witness robust growth through 2026, Rhone Ma is focusing on high-value, research-backed additives and ingredients that cater to the evolving demands of the processed food and beverage industry. Our outlook for 2026 is anchored by the regional push for food security and the industrialisation of food production in Southeast Asia. We see significant opportunities in providing specialised solutions, that help our customers meet stringent regulatory requirements while satisfying the consumer's appetite for healthier, more transparent product profiles. By leveraging our deep technical expertise and a solid supply chain, this segment is set to move beyond traditional distribution, becoming a vital partner in our customers' product development life cycles, thereby ensuring sustainable revenue streams and long-term margin resilience.

With the groundbreaking of the JDV milk processing plant in early 2026, we are laying the foundational infrastructure to address the widening gap in Malaysia's fresh milk self-sufficiency level. While the plant is scheduled to commence operations in 2027, we are already witnessing a significant consumer shift toward premium, traceable, and functional dairy products. Our focus remains on the production of high-quality A2 milk, a niche but rapidly expanding category that caters to health-conscious consumers and those with digestive sensitivities.

FINANCIAL PERFORMANCE

For the financial year ended 31 December 2025, the Group recorded a revenue of approximately RM223.68 million, a growth of RM12.28 million or 5.8% compared to the previous year. This upward trajectory was primarily underpinned by strong contributions from the animal health products and equipment business, which contributed RM184.94 million to the total turnover as we continued to scale our footprint in the sector.

In tandem with our revenue growth, the Group's profitability strengthened through disciplined cost management and operational efficiencies. Profit before tax rose by approximately RM1.87 million to RM21.06 million for the financial year ended 31 December 2025, compared to RM19.19 million in the previous financial year.
As at 31 December 2025, the Group's total equity attributable to shareholders stood at approximately RM175.69 million, contributing to net assets per share of 79.81 sen.

DIVIDEND

For the financial year ended 31 December 2025, the Company declared and paid an interim single-tier dividend of 1.5 sen per ordinary share on 11 February 2026. Together with the proposed final single-tier dividend of 1.0 sen per ordinary share, the total dividends for the financial year ended 31 December 2025 will be 2.5 sen per ordinary share.

These distributions reflect our commitment to delivering consistent shareholder returns while maintaining a balanced capital structure to support our ongoing growth initiatives.

ACKNOWLEDGMENT

We remain steadfast in our commitment to executing a long-term strategy centred on sustainable growth, market leadership, and the delivery of consistent shareholder value. The synergy of our enhanced operational infrastructure, a diversifying product portfolio, and our deep-rooted focus on environmental, social and governance principles ensures that Rhone Ma is well positioned to navigate the evolving landscape of 2026 and beyond.

On behalf of the Board, I wish to extend my profound appreciation to my fellow Directors for their strategic foresight and invaluable counsel during the year. In particular, I would like to express our sincere gratitude to Mr. Martin Jeyaratnam, who recently retired from the Board. We thank him for his years of dedicated service and the significant contributions he has made toward the Group's growth. At the same time, we are pleased to welcome Mr. Oei Kok Eong to the Board, and we look forward to the wealth of experience and fresh perspectives he will bring to Rhone Ma.

My sincere gratitude also goes to everyone across the Group, as it is through their collective hard work and resilience that we have successfully met our milestones and maintained our upward trajectory.

Finally, I would like to thank our esteemed shareholders, business partners, regulatory authorities, and customers for their continued confidence and trust. Your unwavering support remains the cornerstone of our success as we strive to reach new heights in the coming year.

Thank you.

Dato' Hamzah Bin Mohd Salleh
Independent Non-Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND OPERATIONS

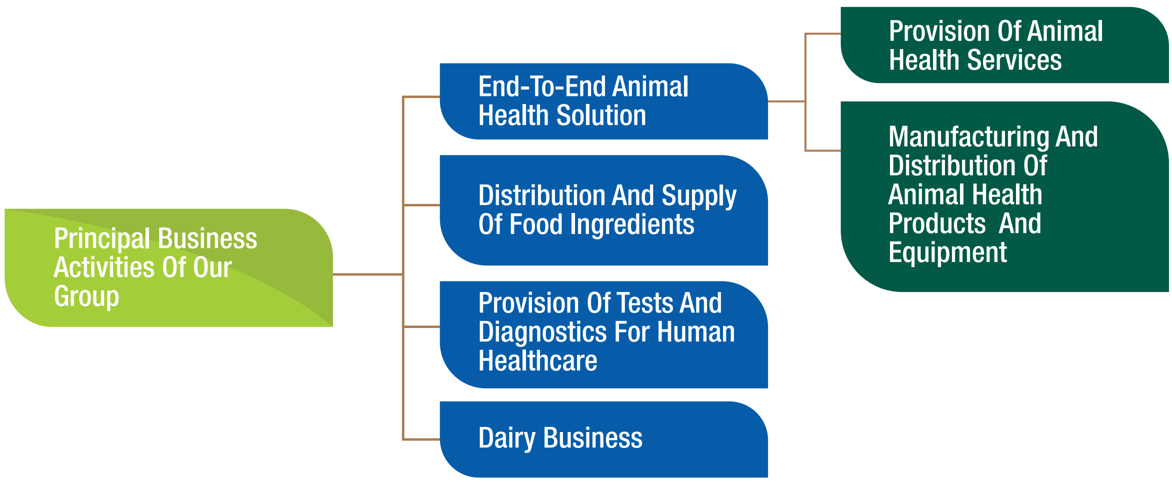
Business Activities

Rhone Ma Holdings Berhad ("Company") group of companies ("Group") is primarily an end-to-end animal health solution provider, integrating the provision of animal health services as well as the manufacturing and distribution of animal health products and equipment focused mainly on the livestock industry.

The animal health services provided by our Group consist of the provision of veterinary advisory and consultation services, diagnostic laboratory analyses as well as research and development ("R&D") services. The animal health products and equipment offered include vaccines, pharmaceuticals, feed and feed additives, as well as farm equipment which are either locally manufactured or sourced from third-party international manufacturers. Our Group manufactures selected pharmaceuticals and feed additives at our own Good Manufacturing Practice ("GMP") compliant plants. In addition, we also carry out repackaging and relabeling of products sourced from third parties at our GMP-compliant plants to cater to the local market as well as to meet the regulations of the local authorities.

Our Group is also involved in the distribution and supply of food ingredients to bakeries, food manufacturers, as well as producers of confectioneries, ice creams, sauces and snacks in Malaysia. In addition, our Group is also engaged in the provision of tests and diagnostics services for human healthcare as well as in the operation of a dairy cow farm under our dairy business segment.

The current business activities of our Group are depicted in the diagram below:



Our revenue is derived mainly from the provision of end-to-end animal health solution comprising the provision of animal health services and the manufacturing and distribution of animal health products and equipment. For the financial year ended ("FYE") 31 December 2025, our animal health services accounted for approximately 1.92% and 2.54% of our Group's total revenue and total gross profit respectively whereas our animal health products and equipment segment accounted for approximately 82.68% and 85.31% of our Group's total revenue and total gross profit respectively.

In addition, distribution and supply of food ingredients accounted for approximately 12.28% and 6.60% of our Group's total revenue and total gross profit respectively for the FYE 31 December 2025 whereas provision of tests and diagnostics services for human healthcare accounted for approximately 0.57% and 0.91% of our Group's total revenue and total gross profit respectively for the FYE 31 December 2025. Contribution from dairy business was approximately 2.55% and 4.64% of our Group's total revenue and total gross profit respectively for the FYE 31 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Location of Operations

Our Group's head office, laboratory, in-house R&D centre, GMP-compliant manufacturing plant and warehouse are located in Section 51A, Petaling Jaya, Selangor, whereas our main distribution centre is situated in Taman Perindustrian Kapar Bestari, Kapar, Selangor. In addition, we have a GMP-compliant plant located in Kawasan Perindustrian Nilai Utama, Nilai, Negeri Sembilan. We also have an office cum warehouse located in RH Park Light Industrial Estate, Kuching, Sarawak to better serve our East Malaysian customers.

For our subsidiaries in the ruminant industry, the wholesale and distribution of pharmaceutical and veterinary products and equipment is located in Taman Desaria, Petaling Jaya, Selangor whereas our dairy business and livestock feed manufacturing are located on a 6-acre farm in Batang Kali, Selangor.

Our joint venture company, Jemaluang Dairy Valley Sdn Bhd which was incorporated to undertake the project to develop, operate and manage a dairy project is located in Sungai Ambat, Jemaluang, Mersing, Johor.

Distribution

Our Group's distribution network spans throughout the country and comprises direct and indirect channels.

Direct distribution network refers to the distribution of our products directly to end-customers which include farms and integrators, veterinary product manufacturers, veterinary clinics, pet shops and feed mills. This provides us the opportunity to work closely with our customers to obtain feedback on their requirements in order to improve our services and products.

Indirect distribution network refers to the distribution of our products through intermediaries such as dealers, wholesalers and retailers which will then rely on their own distribution network to reach the end-customers. This will effectively expand our Group's market coverage.

Key Markets

Our Group's revenue is primarily generated from Malaysia which accounted for approximately 98.13% of our total revenue for the FYE 31 December 2025, whilst the remaining 1.87% of revenue was derived from overseas markets which include the Philippines, Indonesia, Thailand, Brunei and Myanmar. Revenue from overseas mainly comprised export of animal health products.

Objectives and Strategies

Moving forward, we have in place business and expansion plans that are focused on the following areas:

(i) Increasing the utilisation of our production capacity in our GMP-compliant plant in Kawasan Perindustrian Nilai Utama, Negeri Sembilan to increase our production volume;

(ii) Expansion of our product range which includes new in-house developed animal health products, new animal health products and equipment from international manufacturers, as well as new food ingredient products from various producers;

(iii) Expanding our market presence in the existing regional markets, tap into other segments of the animal health products and equipment market and to develop new markets; and

(iv) Venturing into other related businesses with growth prospects.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Highlights of Financial Information for the Past Five Financial Years

Financial information

Description	2021	2022	2023	2024	2025
	RM	RM	RM	RM	RM
Revenue	169,431,450	198,151,787	202,934,518	211,405,030	223,683,917
Profit before tax	17,605,343	19,047,676	18,504,077	19,194,656	21,063,454
Finance costs	1,278,034	1,323,147	1,655,445	1,134,702	903,775
Net profit attributable to shareholders	11,268,278	12,738,365	12,081,423	12,306,863	14,161,063
Shareholders' equity	131,364,788	153,335,325	160,979,352	167,789,040	175,691,105
Total assets	195,806,720	219,434,783	230,590,641	225,236,954	258,486,850
Total borrowings	32,785,707	28,715,614	31,481,391	22,875,495	20,021,537
Gearing ratio (times)	0.25	0.19	0.20	0.14	0.11
Current ratio (times)	3.28	3.50	3.95	5.40	3.04
Earnings per share (sen)	5.61	5.86	5.46	5.56	6.41
Net assets per share (sen)	65.40	69.31	72.77	75.85	79.81
Dividend per share (sen)	2.00	2.00	2.00	2.50	2.50 #

Note:
#Of which 1.00 sen per share is subject to shareholders' approval at the forthcoming Annual General Meeting

Share performance

Description	2021	2022	2023	2024	2025
Year high (RM)	1.190	0.785	0.760	0.800	0.735
Year low (RM)	0.635	0.655	0.660	0.630	0.580
Year close (RM)	0.740	0.680	0.690	0.675	0.690
Total trading volume for the financial year (million)	73.76	24.40	17.60	38.86	44.57
Market capitalisation as at 31 December (RM million)	148.64	150.43	152.65	149.33	151.89

REVIEW OF FINANCIAL RESULTS

Revenue

The details of revenue generated from our services/products are set out in the table below:

Revenue	2024		2025	
	RM	%	RM	%
Animal health services	3,182,628	1.51	4,303,413	1.92
Animal health products and equipment	173,298,168	81.97	184,938,339	82.68
Food ingredients	31,671,825	14.98	27,458,611	12.28
Human healthcare services	1,288,147	0.61	1,286,810	0.57
Dairy business	1,964,262	0.93	5,696,744	2.55
Total	**211,405,030**	**100.00**	**223,683,917**	**100.00**

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Revenue generated from animal health products and equipment is our Group's main source of income, contributing 81.97% and 82.68% of our total revenue for the FYE 31 December 2024 and the FYE 31 December 2025 respectively. The animal health products and equipment provided by our Group comprising vaccines, pharmaceuticals, feed and feed additives and farm equipment are mainly sourced from international animal health product and equipment manufacturers. Our Group also manufactures pharmaceuticals, feed and feed additives under our own brand names at our own plants.

Our Group's revenue is predominantly generated from Malaysia which accounted for 98.13% of our total revenue for the FYE 31 December 2025. Revenue contribution from exports which mainly comprised sale of animal health products, had increased slightly to approximately RM4.19 million or 1.87% in the FYE 31 December 2025 as compared to export revenue of approximately RM4.18 million or 1.98% for the previous financial year mainly due to higher demand from the Philippines and Myanmar. However, the increases were offset by lower demand from Indonesia, Thailand and Brunei.

Animal health services

Revenue from animal health services which is derived from Vet Food Agro Diagnostics Sdn Bhd increased by approximately RM1.12 million or 35.22% to approximately RM4.30 million in the FYE 31 December 2025 as compared to revenue of approximately RM3.18 million for the previous financial year. The increase in revenue generated from this segment was mainly due to revenue from new customers as well as ad-hoc projects from existing customers.

Animal health products and equipment

The details of the revenue generated from animal health products and equipment are set out below:

Revenue	2024		2025	
	RM	%	RM	%
Vaccines	36,628,705	21.14	39,121,307	21.15
Pharmaceuticals	64,762,501	37.37	72,518,524	39.21
Feed and feed additives	54,416,994	31.40	57,550,782	31.12
Equipment	17,489,968	10.09	15,747,726	8.52
Total	**173,298,168**	**100.00**	**184,938,339**	**100.00**

The sale of animal health products and equipment recorded an increase of approximately RM11.64 million or 6.72% compared to the previous financial year. The increase was due to the following:

- Increase in revenue generated from vaccines of approximately RM2.49 million or 6.81% which was mainly contributed by the increase in the sale of FMD vaccine of approximately RM2.59 million, Vaxsafe products of approximately RM0.46 million and Biofors products of approximately RM0.37 million. However, the increases were offset by a decrease in sales of Purevax products and Poxine AE of approximately RM0.71 million and RM0.25 million respectively;

- Increase in revenue generated from pharmaceuticals of approximately RM7.76 million or 11.98% which was mainly contributed by the increase in the sale of NexGard products of approximately RM5.42 million, Rhonamox products of approximately RM0.69 million, Farmsafe products of approximately RM0.60 million and Vetri-DMG products of approximately RM0.49 million; and

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

- Increase in revenue generated from feed and feed additives of approximately RM3.13 million or 5.76% as a result of the increase in the sale of Nystatin of approximately RM3.05 million, Liv 52 Protec powder of approximately RM1.65 million, Pearl Lipid products of approximately RM1.62 million, Vitanox of approximately RM1.33 million, Tradilin of approximately RM1.29 million, Performix products of approximately RM0.95 million and Rhonamox of approximately RM0.31 million. However, our own brand feed products, Myco-AD products, Aviprime products and Clopiden products experienced decrease in sales of approximately RM2.47 million, RM1.96 million, RM1.75 million and RM0.96 million respectively.

However, the above increases were offset by a decrease in revenue from farm equipment of approximately RM1.74 million or 9.96% from approximately RM17.49 million in the previous financial year to approximately RM15.75 million in the current financial year.

Food ingredients

Revenue generated from food ingredients, which is derived from Link Ingredients Sdn Bhd, decreased by approximately RM4.21 million or 13.30% compared to the previous financial year due to reduced orders from its major customers.

Human healthcare services

Revenue from human healthcare services, which is derived from APSN Healthcare & Diagnostics Sdn Bhd, comprised revenue generated from the provision of tests and diagnostics services for human healthcare. Revenue from this segment decreased marginally by 0.10% compared to the previous financial year.

Dairy business

Revenue from our dairy business which is derived from Nor Livestock Farm Sdn Bhd increased by approximately RM3.73 million compared to the previous financial year as a result of the increase in trading activities.

Cost of Sales

The details of cost of sales of our services/products are set out in the table below:

Cost of sales	2024		2025	
	RM	%	RM	%
Animal health services	2,280,181	1.50	2,523,981	1.64
Animal health products and equipment	117,075,675	77.07	125,216,162	81.48
Food ingredients	31,377,417	20.66	22,839,434	14.86
Human healthcare services	754,730	0.50	650,899	0.43
Dairy business	410,904	0.27	2,447,892	1.59
Total	**151,898,907**	**100.00**	**153,678,368**	**100.00**

Animal health services

The cost of sales of animal health services mainly comprised consumables used in diagnostic laboratory analysis including test kits, chemicals and laboratory testing fee. The cost of sales for animal health services increased by approximately RM0.24 million or 10.69% compared to the FYE 31 December 2024 in tandem with higher sales volume from this segment.

Animal health products and equipment

Cost of sales attributable to animal health products and equipment accounted for more than 75.00% of our Group's total cost of sales for the past two financial years. The cost of sales for animal health products and equipment mainly comprised cost of goods sold, cost of manufacturing,

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

customs duties, handling charges and other costs. Cost of manufacturing predominantly consists of cost of raw materials whereas other costs mainly consist of consumables used and laboratory testing fee. The cost of sales of the animal health products and equipment segment increased by approximately RM8.14 million or 6.95% compared to the FYE 31 December 2024, consistent with the increase in revenue generated by this segment of approximately RM11.64 million or 6.72%.

Food ingredients

Cost of sales incurred for food ingredients mainly comprised cost of products sold, customs duties and handling charges. The cost of sales for food ingredients for the FYE 31 December 2025 decreased by approximately RM8.54 million or 27.21% compared to the previous financial year although revenue only decreased by approximately RM4.21 million or 13.30%. This was primarily due to the downward revision of raw material prices in the first half of 2024, while we maintained inventories purchased earlier at higher price levels, thereby resulting in higher cost of sales in the FYE 31 December 2024. There was no such issue in the FYE 31 December 2025.

Human healthcare services

The cost of sales of human healthcare services mainly comprised consumables used in tests and diagnostic laboratory analysis including test kits and laboratory testing fee. The cost of sales for human healthcare services decreased by approximately RM0.10 million or 13.76% compared to the FYE 31 December 2024 due to lower cost of test kits purchased as a result of discounts given by suppliers.

Dairy business

The cost of sales of dairy business mainly comprised animal feed, nutrition and medication for dairy cows and cost of trading cows. The cost of sales for dairy business increased by approximately RM2.04 million compared to the FYE 31 December 2024, consistent with the increase in revenue generated by this segment of approximately RM3.73 million.

Gross Profit

The details of gross profit ("GP") and GP margin of our services/products are set out in the table below:

GP	2024		2025	
	RM	%	RM	%
Animal health services	902,447	1.52	1,779,432	2.54
Animal health products and equipment	56,222,493	94.48	59,722,177	85.31
Food ingredients	294,408	0.49	4,619,177	6.60
Human healthcare services	533,417	0.90	635,911	0.91
Dairy business	1,553,358	2.61	3,248,852	4.64
Total	**59,506,123**	**100.00**	**70,005,549**	**100.00**

GP	2024	2025
	%	%
Animal health services	28.36	41.35
Animal health products and equipment	32.44	32.29
Food ingredients	0.93	16.82
Human healthcare services	41.41	49.42
Dairy business	79.08	57.03
Group GP margin	**28.15**	**31.30**

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Our Group's overall GP and GP margin for the financial years under review were affected mainly by changes in quantity and selling price of our products, the purchase price of the products and fluctuation of foreign currency exchange arising from the purchases.

Our Group's GP increased from approximately RM59.51 million for the FYE 31 December 2024 to approximately RM70.01 million for the FYE 31 December 2025, representing an increase of approximately RM10.50 million or 17.64%. The increase was mainly due to the increase in GP of the food ingredients segment by approximately RM4.33 million from approximately RM0.29 million in the FYE 31 December 2024 to approximately RM4.62 million in the FYE 31 December 2025. In addition, the GP of the animal health products and equipment segment also increased by approximately RM3.50 million from approximately RM56.22 million in the FYE 31 December 2024 to approximately RM59.72 million in the FYE 31 December 2025.

In tandem with the increase in overall GP, our Group's GP margin had increased from 28.15% for the FYE 31 December 2024 to 31.30% for the FYE 31 December 2025 due primarily to the increase in the GP margin of food ingredients from 0.93% for the FYE 31 December 2024 to 16.82% for the FYE 31 December 2025.

Animal health services

GP from the animal health services segment of approximately RM1.78 million for the FYE 31 December 2025 was approximately RM0.88 million higher than the GP of approximately RM0.90 million for the previous financial year. This was in line with the higher revenue recorded for animal health services during the FYE 31 December 2025. The GP margin of 41.35% for the FYE 31 December 2025 was higher than the GP margin of 28.36% recorded in the previous financial year mainly due to lower cost of consumables used in diagnostic laboratory analysis.

Animal health products and equipment

In line with the increase in revenue from animal health products and equipment for the FYE 31 December 2025 of approximately RM11.64 million compared to the FYE 31 December 2024, GP from animal health products and equipment for the FYE 31 December 2025 was approximately RM3.50 million or 6.22% higher compared to the previous financial year. The GP margin of animal health products and equipment decreased marginally from 32.44% for the FYE 31 December 2024 to 32.29% for the current financial year.

Food ingredients

During the FYE 31 December 2025, revenue from the food ingredients segment decreased by approximately RM4.21 million or 13.30% while cost of sales decreased by approximately RM8.54 million or 27.21%. As a result, GP from food ingredients increased by approximately RM4.33 million compared to the FYE 31 December 2024. The strengthening of GP was primarily due to the stabilisation of raw material prices since mid-2024. The GP margin of food ingredients increased from 0.93% for the FYE 31 December 2024 to 16.82% for the current financial year.

Human healthcare services

Revenue from the human healthcare services segment decreased marginally by 0.10% compared to the previous financial year whilst cost of sales decreased by approximately RM0.10 million or 13.76% compared to the FYE 31 December 2024. As a result, GP from human healthcare services increased by approximately RM0.10 million compared to the FYE 31 December 2024 and the GP margin increased from 41.41% for the FYE 31 December 2024 to 49.42% for the current financial year.

Dairy business

As a result of the increase in revenue from dairy business of approximately RM3.73 million and the increase in cost of sales of approximately RM2.04 million during the financial year, GP from dairy business for the FYE 31 December 2025 was approximately RM1.69 million higher compared to the previous financial year.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Operating Expenses

Distribution costs increased by approximately RM1.32 million or 12.51% from approximately RM10.58 million for the FYE 31 December 2024 to approximately RM11.90 million for the FYE 31 December 2025. Distribution costs as a percentage of revenue of 5.32% for the current financial year was slightly higher compared to the 5.00% recorded in the FYE 31 December 2024.

Administrative expenses increased by approximately RM6.65 million from approximately RM29.34 million for the FYE 31 December 2024 to approximately RM35.99 million for the FYE 31 December 2025. Administration expenses as a percentage of revenue of 16.09% for the FYE 31 December 2025 was higher compared to the 13.88% recorded in the previous financial year. The increase in administrative expenses during the FYE 31 December 2025 was mainly due to the increase in impairment losses on trade receivables, inventories written down and inventories written off of approximately RM2.50 million, RM1.95 million and RM0.25 million respectively.

Finance costs decreased from approximately RM1.13 million for the FYE 31 December 2024 to approximately RM0.90 million for the current financial year due to repayments of borrowings during the financial year.

Profit Before Tax

In tandem with the increase in GP of approximately RM10.50 million and the reduction in finance costs of approximately RM0.23 million, offset by the increase in administrative expenses and distribution costs of approximately RM6.65 million and RM1.32 million respectively, increase in share of loss of a joint venture of approximately RM1.02 million, together with the reduction in other income of approximately RM0.82 million, our Group's profit before tax ("PBT") of approximately RM21.06 million for the FYE 31 December 2025 was approximately RM1.87 million higher than the PBT of approximately RM19.19 million for the FYE 31 December 2024.

Taxation

The effective tax rate of the Group for the FYE 31 December 2025 of 29.21% was higher than the statutory tax rate of 24.00% as certain expenses were not allowable for tax purposes.

Assets

Trade receivables

Trade receivables of approximately RM26.39 million as at 31 December 2025 was approximately RM3.50 million lower compared to the previous financial year. The decrease was mainly due to customers paying promptly to enjoy prompt payment discounts during the FYE 31 December 2025. Trade receivables turnover period of 44 days for the current financial year which is within the normal credit term of 30 days to 90 days granted to our customers was lower compared to 52 days for the FYE 31 December 2024.

Inventories

Inventories of approximately RM69.59 million as at 31 December 2025 was approximately RM6.09 million higher than the previous financial year. The inventories turnover period of 166 days for the FYE 31 December 2025 was higher than the 153 days recorded for the previous financial year and exceeded our normal inventory holding period of 90 days to 120 days. It is our Group's general practice to maintain a sustainable level of inventories to support our business operations and to reduce the lead time in delivery of our products to the customers. We have maintained a high level of inventories as at 31 December 2025 as a buffer against possible supply chain disruptions worldwide.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Cash and bank balances

Our Group has been financing our operations via a combination of internally generated funds and bank borrowings. Our principal utilisation of funds had been for working capital and purchase of property, plant and equipment. As at 31 December 2025, our Group had cash and bank balances and short term funds of approximately RM45.92 million.

Liabilities

Trade payables

Trade payables of approximately RM15.45 million as at 31 December 2025 was approximately RM6.30 million higher than the trade payables as at 31 December 2024. Trade payables turnover period of 37 days for the current financial year which is within the normal credit term of 30 days to 90 days granted by our suppliers was higher compared to the 22 days recorded for the FYE 31 December 2024. Our Group believes that timely settlement with suppliers will benefit our Group in terms of favourable pricing from our suppliers.

Notwithstanding the funding gap between the collection and payment cycle, as evidenced by the longer trade receivables turnover as compared to the trade payables turnover, our Group does not encounter any cash flow problems as we maintain a healthy level of working capital and has sufficient credit facilities in place.

Equity

Share capital

The issued shares of the Company remained at 221,226,000 ordinary shares throughout the FYE 31 December 2025.

Share Buy-Back

At the Company's Eleventh Annual General Meeting held on 17 June 2025, the Company had obtained approval from its shareholders to purchase up to ten (10) percent of the total number of the Company's shares issued as quoted on Bursa Malaysia Securities Berhad as at the point of purchase.

The Company purchased a total of 1,098,000 of its own shares during the FYE 31 December 2025 at a cost of approximately RM0.73 million and the shares are being retained as treasury shares.

Warrants

On 5 February 2021, the Company issued 80,343,987 free warrants of the Company on the basis of two (2) free warrants for every five (5) existing ordinary shares held in the Company.

There were no warrants being exercised during the FYE 31 December 2025.

Out of a total of 80,063,987 unexercised warrants as at 31 December 2025, 3,106,064 warrants were exercised subsequent to the end of the financial year prior to their expiry on 4 February 2026.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Capital Structure and Capital Resources

Borrowings

Our Group's borrowings of approximately RM20.02 million as at 31 December 2025 were all denominated in Ringgit Malaysia and comprised term loans and overdraft that were mainly utilised to finance the construction of our GMP-compliant plant in Kawasan Perindustrian Nilai Utama, Nilai, Negeri Sembilan, construction of the warehouse in Taman Perindustrian Kapar Bestari, Kapar, Selangor and for working capital purposes.

As at 31 December 2025, our Group has unutilised banking facilities of approximately RM24.79 million. The Group remains prudent in maintaining a sound financial position that enables us to execute our plans over the coming years. Our Group's debt to equity ratio as at 31 December 2025 had decreased to 0.11 times compared to the ratio of 0.14 times as at 31 December 2024 due to repayments made during the financial year.

Capital expenditure

Capital expenditure incurred by our Group for the FYE 31 December 2025 amounted to approximately RM1.48 million and consists of the following:

Description	RM
Building	26,325
GMP plant and equipment	79,744
Renovations	900,780
Furniture and fittings	73,740
Farm equipment and machinery	474
Laboratory equipment	173,355
Office and computer equipment	156,455
Motor vehicles	69,548
Total	**1,480,421**

The Group has no capital commitment as at the end of the FYE 31 December 2025.

Known Trends and Events

The main factors that have affected and are expected to continue to affect our Group's operations and profits include, but are not limited to the following:

(i) Competitive advantages and key strengths

We are an end-to-end animal health solution provider that is able to provide a customised animal health solution with our extensive range of animal health services and products to meet the needs and requirements of our customers. Further, our business operations are supported by our in-house R&D centre which provides us the platform to expand our product range and continuously develop new products as well as to improve our existing products. In addition, our Group is led by an experienced management team that will provide the basis for our Group's continuing growth and success.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

(ii) Industry outlook

The general outlook of the overall animal health and nutrition market is dependent on the derived demand from the livestock industry leading to correlating growth patterns for the animal health and nutrition market. It is also influenced by scientific advancement of animal health and nutrition products.

The general outlook of the overall food ingredients market is dependent on factors such as the changing eating habits caused by fundamental societal changes, as well as Malaysia's growing population.

(iii) Dependency on the livestock industry

The animal health and nutrition market is highly dependent on the development and growth of the livestock industry as the animal health products are critical to the operations of a livestock farm in ensuring proper nutrition, health and hygiene of livestock. As such, our business operations are significantly reliant on the performance of the livestock industry in particular, the demand of poultry, swine and ruminant. Any changes or adverse conditions affecting the livestock industry may have a material adverse effect on the business and financial performance of our Group.

(iv) Impact of foreign exchange rate

Our revenue is primarily denominated in Ringgit Malaysia where approximately 1.27% of our sales were transacted in United States Dollar ("USD") for the FYE 31 December 2025. Our purchases are primarily denominated in foreign currency as majority of our purchases are from the United States of America and France. For the FYE 31 December 2025, a majority of our purchases were transacted in USD and Euro. As such, our Group's financial position and results of operations may be affected by foreign currency fluctuations. Net loss on foreign currency exchange for the FYE 31 December 2025 amounted to approximately RM0.58 million.

REVIEW OF OPERATING ACTIVITIES

Performance

Our Group's revenue for the FYE 31 December 2025 of approximately RM223.68 million was approximately RM12.28 million or 5.81% higher than the revenue recorded in the previous financial year due mainly to the increase in sales of our animal health products and equipment segment of approximately RM11.64 million.

Consistent with the increase in revenue, the Group's PBT of approximately RM21.06 million for the FYE 31 December 2025 was approximately RM1.87 million or 9.74% higher than the RM19.19 million reported for the FYE 31 December 2024.

GMP-Compliant Plant

The commencement of operations of our GMP-compliant plant in Nilai in 2021 increased our production capacity by approximately four (4) times the existing maximum production capacity. This allows our Group to expand the range of our in-house developed products to cater to a wider pool of customers with different needs and requirements.

The additional production capacity will also enable us to extend our reach into regional markets of which our Group has a presence and the development of new markets, leading to a broader customer base geographically and an increase in our revenue stream from regional markets.

The securing of the Good Manufacturing Practice ("GMP") status from Malaysia's National Pharmaceutical Regulatory Agency in 2023 and the

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Feed Additive and Pre-Mixture Quality System ("FAMI-QS") certification in 2024 from World Certification Services (M) Sdn. Bhd. by our plant reaffirm our commitment to quality, safety and industry leadership and enhance our credibility in the feed additives sector.

Investment in a Joint Venture

In 2023, our Group through our 49% owned subsidiary, A2 Fresh Holdings Sdn Bhd ("A2F"), invested in 35% equity interest in Jemaluang Dairy Valley Sdn Bhd ("JDV"), while Kulim (Malaysia) Berhad holds the remaining 65% equity interest in JDV. JDV is a joint venture company incorporated to develop, operate and manage a dairy project in Sungai Ambat, Jemaluang, Mersing, Johor in collaboration with East Coast Economic Region Development Council.

As at 31 December 2025, A2F holds 14,490,000 ordinary shares or 35% equity interest in JDV.

A landmark achievement for the Group is the recent progression of JDV. Following the official groundbreaking ceremony for its milk processing plant in February 2026, the project is poised to transition into its operational phase, housing over 1,000 A2 Jersey-Friesian cattle. By integrating upstream milk production with the Group's technical expertise, Rhone Ma is establishing a "farm to glass" value chain that supports Malaysia's national food security goals.

ANTICIPATED OR KNOWN RISKS

Credit Risk and Default in Payment by Our Customers

Generally, the credit terms granted to our customers range from 30 days to 90 days. Our customers have varying degrees of credit risk profiles which exposes us to the risk of non-payment by them. In the event that our customers default on their payments, our operating cash flows, financial condition and results of operations could be materially and adversely affected.

We are aware of our exposure to credit risk and we mitigate this by putting in place credit management policies in our Group through the application of credit approval, credit limit and monitoring procedures on an on-going basis. We perform credit evaluations on our customers and an appropriate credit limit is then allocated to each customer based on our assessment of their risk level. In addition, we also emphasise on close monitoring and collection of accounts on an on-going or monthly basis to minimise the risk of default.

Although there has been no material collection problem for trade receivables or material bad debts written off in the past, there is no guarantee that our customers will be able to fulfill their debt obligations as and when the debts become due or that our Group will not encounter collection problems in the future. Any default or delay in our collection of debts which lead to impairment losses on trade receivables or bad debts may have an impact on our financial performance.

Foreign Currency Fluctuation Risk

The majority of our purchases and some of our sales are transacted in foreign currencies, primarily in USD and Euro. As such, we are exposed to foreign currency fluctuation risk. Any unfavourable fluctuations in foreign exchange rates may have an adverse impact on our financial performance and profitability.

For the FYE 31 December 2025, approximately 1.27% of our sales were transacted in USD whereas majority of our purchases were transacted in USD and Euro. Our Group does not enter into any financial instruments to hedge against any foreign currency fluctuation in terms of our sales in foreign currency as the transactions are not significant. In terms of our purchases in foreign currency, our Group will continuously monitor the foreign currency fluctuations and enter into foreign exchange spot contracts to hedge against the foreign currency fluctuation risk, as and when necessary.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Despite our efforts to minimise the foreign currency risk, there can be no assurance that any future significant fluctuation in foreign currency will not have an impact on the financial performance of our Group.

FORWARD-LOOKING STATEMENT

Outlook

Our Group is positioned to capitalise on structural shifts across the global and regional landscape, transitioning from a provider of products to a vital partner in our customers' development life cycles. The global animal health industry is poised for sustained growth, with its valuation projected to reach approximately USD156.00 billion by 2033 from USD68.70 billion in 2025. This trajectory is driven by rising demand for advanced veterinary solutions and the increasing professionalisation of livestock farming. Our core business remains anchored by the widespread adoption of "One Health" biosecurity standards, an integrated approach balancing the health of people, animals, and ecosystems, and the integration of emerging technologies like artificial intelligence-driven diagnostics. This demand for specialised vaccines and pharmaceuticals is mirrored in the companion animal market, where the humanisation of pets is driving an unprecedented demand for premium wellness, holistic healthcare, and diagnostic solutions.

Parallel to these veterinary trends, our strategic focus in the food ingredients sector is shifting toward a technical partnership model that addresses tightening safety standards and rising consumer awareness of functional nutrition and ethical sourcing. With the global food ingredients market continuing its steady expansion and is projected to grow by USD65.03 billion at a compound annual growth rate of 7.8% from 2025 to 2030, we are positioning ourselves to benefit from the industrialisation of food production while ensuring long-term margin resilience.

This commitment to high-value, traceable solutions culminates in our dairy operations, where the February 2026 groundbreaking of the JDV milk processing plant represents a definitive step toward addressing Malaysia's fresh milk self-sufficiency. The Malaysian government has set an ambitious target to achieve 100% self-sufficiency in fresh milk by 2028, up from approximately 67% in 2024. Although full-scale plant operations are anticipated for 2027, our current strategic focus remains on establishing a strong market presence for high-quality A2 milk, catering to a health-conscious urban demographic that values digestive comfort and "farm-to-glass" transparency. By integrating precision farming and sustainable herd management with our deep-rooted veterinary expertise, we are building a vertically integrated model designed to deliver sustainable revenue streams and drive regional excellence in the years ahead.

Dividend

In considering the level of dividend, if any, upon recommendation by our Directors, we will take into account various factors including:

(i) Our expected results of operations;
(ii) Required and expected interest expense and taxation, cash flows, our profits and return on equity and retained earnings;
(iii) Our projected levels of capital expenditure and other investment plans;
(iv) The prevailing interest rates and yields of the financial market;
(v) The level of our cash, marketable financial assets and level of indebtedness; and
(vi) Maintaining adequate reserves for the future growth of our Group.

In line with this, the Board of Directors proposed a final dividend of 1.0 sen per ordinary share for the FYE 31 December 2025. This proposal is pending our shareholders' approval at the forthcoming Annual General Meeting of the Company. Including the interim dividend of 1.5 sen per ordinary share which had been paid on 11 February 2026, the proposed final dividend will bring the total dividends for the year to 2.5 sen per ordinary share.

SUSTAINABILITY STATEMENT

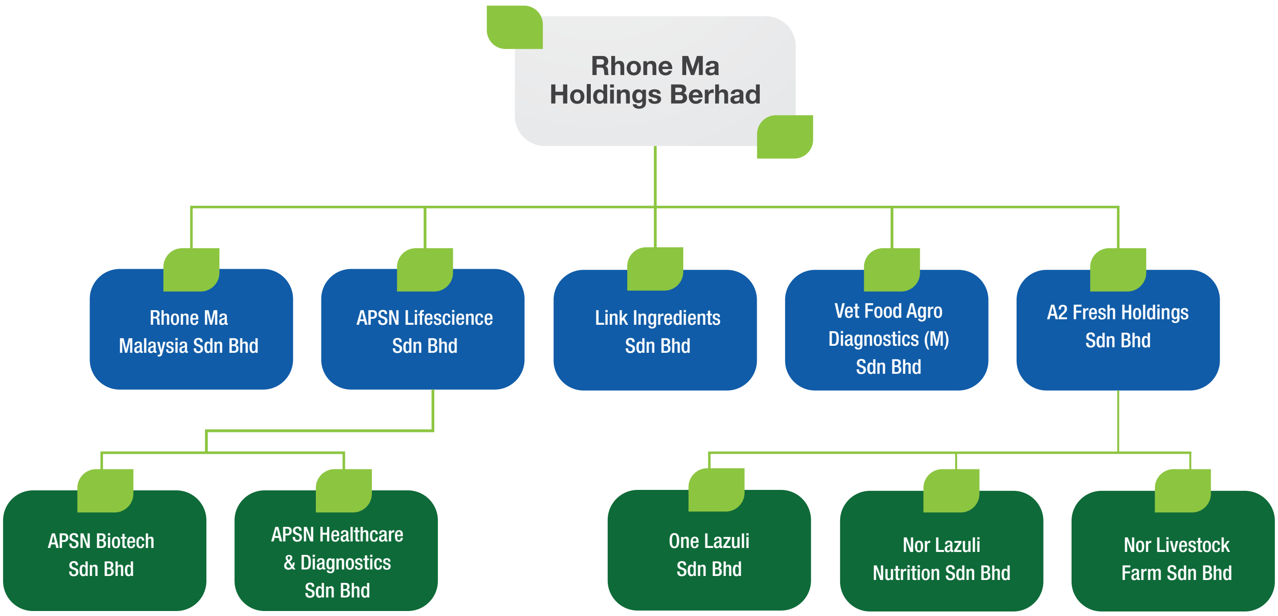
ABOUT THIS STATEMENT

Rhone Ma Holdings Berhad (**"Rhone Ma", "the Group", "we",** or **"our"**) is pleased to present our Annual Sustainability Statement (**"this Statement"**) for our financial year ending 2025. This Statement provides an overview of the Group's sustainability performance during the period from 1 January 2025 to 31 December 2025 (**"FY2025"**), unless stated otherwise. To complete the comprehensive suite of data contained in this report, some content considers previous years.

REPORTING SCOPE AND LIMITS

The scope of the Sustainability Report (the present report) is consistent with the Company's annual report. In view of the importance of our business' impact on the environment, the scope of our environmental data includes all operational sites owned and managed by Rhone Ma Holdings Berhad.

This Statement covers the Group and our active subsidiaries' sustainability performance and the progress of our business operations in Malaysia.



This Statement includes forward-looking statements that provide our stakeholders with insights into our perspectives and strategies. However, these statements are not guarantees or definitive predictions of Rhone Ma's future performance. Stakeholders are advised to interpret them with caution and avoid placing undue reliance on them.

REPORTING FRAMEWORKS, STANDARDS AND GUIDELINES

This statement has been prepared in accordance with Bursa Malaysia's Main Market Listing Requirements (**"MMLR"**) under Practice Note 9A and Part A of Annexure Practice Note 9A-A. Where appropriate, the Group has also considered elements of the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards, namely IFRS S1 (*General Requirements for Disclosure of Sustainability related Financial Information*) and IFRS S2 (*Climate-related Disclosures*), issued by the International Sustainability Standards Board (ISSB) in shaping its sustainability disclosures and approach to managing sustainability-related risks and opportunities.

SUSTAINABILITY STATEMENT (Continued)

The Statement further references the following internationally recognised frameworks, standards and guidelines:
- GRI Standards 2021, by the Global Sustainability Standards Board (GSSB)
- Malaysian Code on Corporate Governance (MCCG) by the Securities Commission Malaysia
- Sustainability Accounting Standards Board (SASB) Standards

Greenhouse gas (GHG) emissions are measured in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. To identify and categorise value chain emissions, the GHG Protocol Corporate Value Chain (Scope 3) Standard, which defines two (2) out of the fifteen (15) categories of Scope 3 emissions, has been applied. The reporting boundary for GHG emissions aligns with the Group's operational and financial reporting boundaries.

STATEMENT OF ASSURANCE

Assurance Undertaken

In strengthening the credibility of the Sustainability Statement, this Sustainability Statement has been subjected to an internal review by the Company's internal auditors and has been approved by the Company's Audit and Risk Management Committee.

Subject Matter

All contents of this Sustainability Statement.

Scope

The boundary of the internal review includes all companies within the Company's financial control.

FEEDBACK

This Statement can be viewed and downloaded from our official website at www.rhonema.com.
We value our engagement with our esteemed stakeholders, and we encourage any feedback, inquiries, and raising valid concerns to ensure we consistently improve as a Group and remain efficient and compliant in carrying out our operations. Our contact details are as follows:

Rhone Ma Holdings Berhad
Lot 18A & 18B, Jalan 241, Seksyen 51A,
46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia
+(603) 7873 7355

SUSTAINABILITY STATEMENT (Continued)

Enhancing Governance

ESG Committee
Comprised of seven board members led by Group Managing Director (GMD)

100%
Participation in anti-corruption training

100%
Operations assessed for corruption-related risks

Compliance with Personal Data Protection Act 2010 (“PDPA”)
Adhere to data security and regulatory compliance

Eight (8)
Quality-related certifications including ISO 9001: 2015, ISO 45001: 2018, FAMI-QS (Feed Safety Management System with GMP) and more.

ISO 17025
Testing and Calibration Laboratory quality management system for veterinary

ISO 15189
Medical laboratory for medical microbiology

Empowering Our People

50%
Senior management positions held by female employees

56%
Managerial and Executive positions held by female employees

86%
Employees trained in health and safety standards

24 hours
of training per employee

Contribution to Society

13
Organisations provided with direct support through monetary or asset contributions

Sustaining Our Environment

48.5%
Reduction of GHG emission intensity from 2023 (Scope 1 and Scope 2)

2.9%
Decrease in total waste generated from 2024

77%
Reduction in effluent discharge year-on-year

SUSTAINABILITY STATEMENT (Continued)

SUSTAINABILITY STRATEGY STATEMENT

Rhone Ma Holdings Berhad operates across a diverse portfolio of businesses, including the marketing, trading, distribution and manufacturing of animal health products and equipment, as well as the distribution and supply of food ingredients. In addition, the Group provides veterinary advisory services, conducts research and development activities related to animal health, food safety and agriculture, offers testing and diagnostic services for human healthcare, and is involved in livestock-related businesses.

As a responsible organisation, the Group recognises the importance of integrating sustainability into the way we conduct our business. In alignment with the United Nations Sustainable Development Goals, Rhone Ma Holdings Berhad is committed to delivering strong environmental, social and governance ("ESG") performance that supports the creation of sustainable value for our business, stakeholders and the wider community.

Guided by this commitment, our sustainability strategy focuses on four key pillars: enhancing governance, empowering our people, contributing to society, and sustaining our environment. These pillars shape the way we manage our operations, guide our decision-making, and enable us to address key sustainability challenges while strengthening long-term business resilience.

Through this strategic framework, we continue to challenge ourselves to innovate, lead with accountability, and foster collaborative partnerships. By embedding sustainability into our operations and business practices, we aim to drive responsible growth while creating lasting value for our stakeholders and contributing positively to the communities and environment in which we operate.

ESG PERFORMANCE AND SUSTAINABILITY COMMITMENTS

As part of our commitment to excellence in ESG, our Board of Directors has approved the following ESG targets for FYE 2025 to enhance and monitor our operations, particularly in relation to our key Sustainability Material Matters. The targets outlined below reflect our focus for the next financial year. Currently, these targets are reviewed annually, with ongoing evaluations within the Group to track progress and align with our long-term sustainability objectives.

	Topics	Indicators	Our Targets	2025 Progress
Enhancing Governance	**Product Quality & Safety**	Number of significant product and service categories assessed for health & safety impacts	Assess 100% of significant product and service categories annually	Achieved, 100% of significant categories assessed in FY2025 (12 out of 12)
		Percentage of significant product and service categories assessed for health & safety impacts	Maintain 100% assessment coverage	Achieved, maintained 100% assessment coverage in FY2025
		Total incidents of non-compliance with regulations or voluntary codes	Maintain zero non-compliance incidents	Achieved, zero incident recorded in FY2025
		Total number of product recalls	Maintain zero product recalls	Achieved, zero product recalls in FY2025
	Ethical and Lawful Behaviour - Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category	Maintain 100% awareness training for all employee categories	Achieved, 100% employees trained on anti-corruption awareness
		Percentage of operations assessed for corruption-related risks	Maintain 100% operational assessment coverage in corruption risk assessment	Achieved, 100% operations assessed for corruption-related risks
		Confirmed incidents of corruption and action taken	Maintain zero confirmed incidents	Achieved, zero corruption incidences

SUSTAINABILITY STATEMENT (Continued)

	Topics	Indicators	Our Targets	2025 Progress
Enhancing Governance	**Transparency in Supply Chain**	Proportion of spending on local suppliers	Maintain and increase local supplier spending where operationally feasible	In progress, local sourcing prioritised to support domestic economic development and supply chain resilience; FY2025: 23.78% (FY2024: 24.21%; FY2023: 22.35%)
	Data Privacy and Security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Maintain zero incidents of data privacy and security breaches	Achieved, zero incidences of data privacy and security breaches
Empowering Our People	**Occupational Health and Safety**	Number of work-related fatalities	Maintain zero work-related fatalities	Achieved, zero work-related fatalities
		Lost time incident rate	Reduction in lost time incident rate from FY2024 levels	In progress: Lost time incident rate (LTIR) for FY2025 is 4.75, compared with 0.21 in FY2024, with reduction efforts ongoing
		Number of employees trained on health and safety standards	Ensure that 100% of employees receive health and safety training annually	On track: 86% of overall employees trained on health and safety standards in FY2025
	Labour Conditions - Labour Practices and Standards	Number of substantiated complaints concerning human rights violations	Maintain zero substantiated human rights violations complaints	Achieved, zero complaints on human rights violations
	Labour Conditions - Diversity	Percentage of directors by gender and age group	Achieve at least 30% female Board representation	On Track: 29% female representation in our Board of Directors in 2025
Contributing to Society	**Impact on Local Communities**	Total number of beneficiaries of the investment in communities	Continually expand community involvement and investment	In progress: Provided direct support to thirteen (13) organisations through monetary or asset contributions in FY2025 (FY2024: 18). Decrease reflects consolidation into longer-term community programmes
Sustaining Our Environment	**Water Management**	Total volume of water consumed	Reduce water consumption intensity by 30% by 2035 from the base year 2023 (Megalitres/Production Volume in tonnes)	On track: Water consumption intensity has reduced by 32.3% in FY2025 from base year 2023

SUSTAINABILITY STATEMENT (Continued)

ENHANCING GOVERNANCE

CORPORATE GOVERNANCE

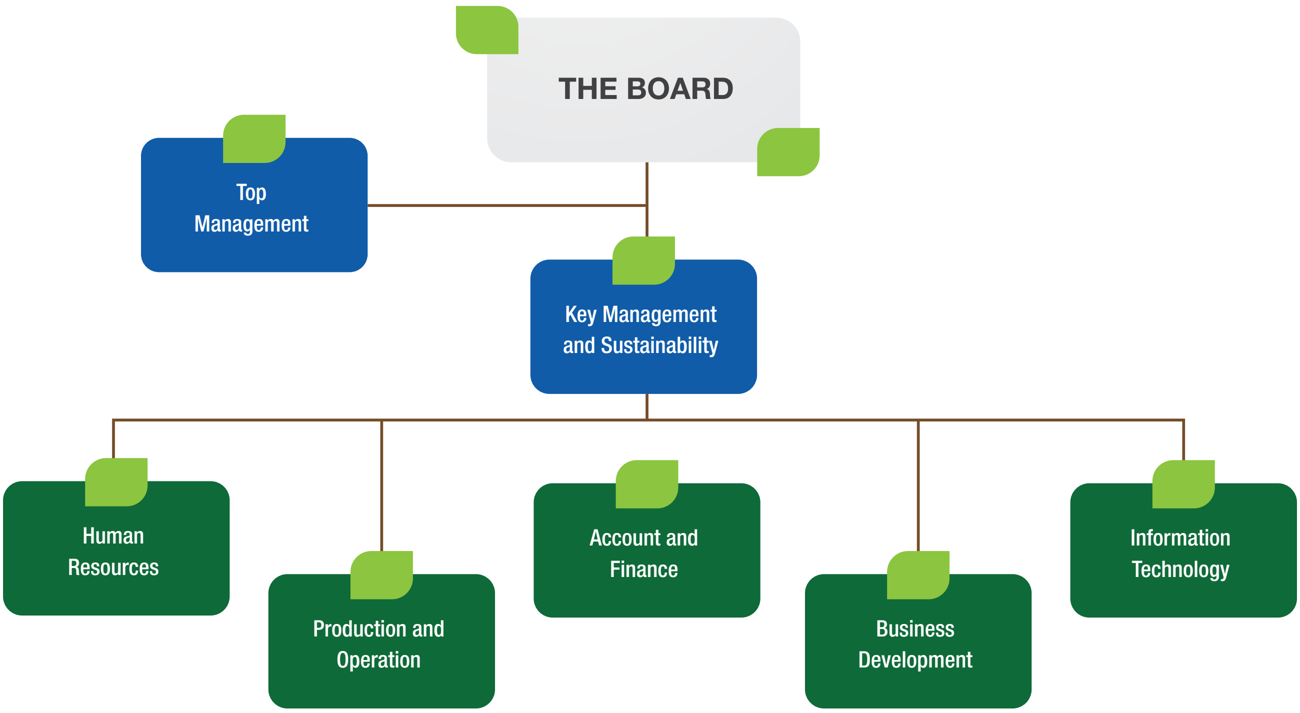
- Sustainability Governance
- Stakeholder Engagement and Material ESG Matters

SUSTAINABILITY GOVERNANCE

As part of our commitment to sustainability, we have made efforts to establish a clear governance structure to ensure effective compliance and optimal performance across our business operations. Oversight and management of ESG issues from the Board of Directors ("the Board") level ensures that Rhone Ma's management procedures are effective and that adequate resources are allocated to improve our ESG performance

Our sustainability directives stem from our key leadership team, with the Board being the highest decision-making and governing body regarding ESG issues, while maintaining responsibility for our overall business conduct. The Board ensures that the strategies on environmental, social and governance and climate-related considerations are aligned with our long-term value creation.

Board Governance Structure

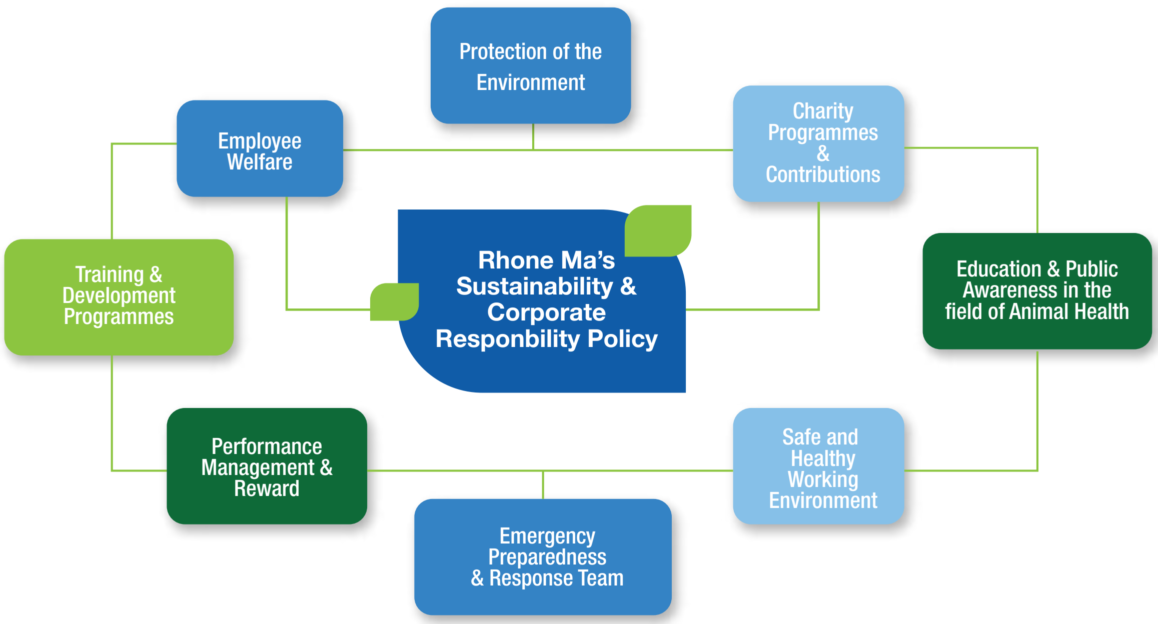


SUSTAINABILITY STATEMENT (Continued)

ESG Management Structure

Organisation	Members	Responsibilities
Board of Directors	All board of Directors	• Sets the overall sustainability vision, strategy, policies for Rhone Ma. • Ensures sustainability-related strategies are aligned with corporate strategies and risk management for Rhone Ma. • Reviews and approves the Group's sustainability-related policies, targets and reporting.
Key Management & Sustainability Committee	Company Top Management; Led by the Group Managing Director	• Provides direction, oversight and guidance across Rhone Ma for the implementation of sustainability-related projects. • Reviews and monitors sustainability-related metrics, targets and reporting.
Head of Departments	Head of each department and their designated ESG representatives	• Support the Key Management & Sustainability Committee in the implementation of sustainability-related initiatives. • Manage sustainability initiatives across respective divisions and monitor progress for continuous improvements. • Coordinate, gather and review information collected for sustainability reporting.

In addition to our business objectives, as a Group, we also aim to maximise positive impacts and encourage our employees at Rhone Ma to adhere to the following fundamental policy disclosures in their daily routines.



SUSTAINABILITY STATEMENT (Continued)

STAKEHOLDER ENGAGEMENT AND MATERIAL ESG MATTERS

Rhone Ma has determined the future development direction of its ESG initiatives through systematic and rigorous evaluation. This process considers both the potential impacts of various ESG issues on the Company and the effects of the Company's operations on the environment, society and other external stakeholders. In addition to conducting assessments and updating on material issues, we have established robust communication mechanisms with all stakeholders. These mechanisms enable regular dialogues regarding the Company's ESG performance, focus areas, and operational impacts, ensuring clarity on their expectations and concerns.

Assessment Process

STEP 1: Identify Issues and Establish a Material Issue Pool

Based on the features of the industry, an initial issue pool that is material to the company was created.

- Review internal data
- Conduct internal survey through questionnaire
- Analyse current ESG status and trends
- Research internationally recognised standard requirements
- Understand industry issues and trends

STEP 2: Materiality Assessment

- Evaluate the environmental and social impact from our business operations
- Review internal data
- Conduct internal and external stakeholder survey
- Analyse industry common key issues
- Assess the impact types of issues (actual or potential, severity and likelihood of the impact), and;
- Analyse international sustainability reporting framework and standards.

STEP 3: Select Material Issues that Matter to the Group

- Review and prioritize material issues
- Conduct in-depth evaluation based on their environmental, social and governance impact
- Select 12 initial material issues, and develop corresponding strategies aligned with ESG goals for each issue
- The results of the survey were then used to derive a refreshed Materiality Matrix, aligning Rhone Ma's sustainability strategy with evolving stakeholder expectations, industry developments and business requirements
- The Materiality Matrix was reviewed by the Key Management & Sustainability Committee and subsequently tabled to the Board for approval
- The Board of Directors has reviewed the refreshed material topics and subsequently approved the changes.

Stakeholder Communications

Active engagement with a diverse range of stakeholders is a vital component in maintaining the efficiency of Rhone Ma's operations. Stakeholder engagement remains central to our materiality assessment. By engaging internal and external stakeholders, Rhone Ma gains insights into their expectations, priorities, and concerns. This feedback informs the continuous refinement of our ESG strategy and guides our operational and strategic decision-making.

SUSTAINABILITY STATEMENT (Continued)

Through this structured, board-approved approach, Rhone Ma ensures that sustainability considerations are proactively integrated into business strategy, risk management, and operational excellence, creating long-term value for our stakeholders and society.

Stakeholder Engagement Process

STEP 1: Identify Key Stakeholders

Identify key stakeholders and their corresponding contacts

STEP 2: Engage Stakeholders and Analyse Their Needs

- Engage and evaluate stakeholders' needs through communication channels
- Continuously understand, analyse and address stakeholders' needs

STEP 3: Integrate Stakeholder Needs into ESG Management

- Align with annual materiality analysis results
- Integrate stakeholder needs into operations and business decisions made by the management team and the Board
- Address needs from employees and stakeholders while improving satisfaction and value creation

Our primary stakeholder categories include employees, shareholders, investors, customers, suppliers, local communities, regulators, government entities, industry associations, media, and academia. These categories were determined based on their varying degrees of influence on and reliance upon our business.

Engagement with stakeholders occurs through various communication channels, including online media platforms, meetings, seminars, and in-person interactions. Rhone Ma's official website serves as an accessible hub for stakeholders and other users to access the most recent corporate updates, financial results, and more. The table highlighting key stakeholders and their engagement is presented below:

Key Stakeholders	Engagement Channel	Frequency of engagement	Key Areas of Interest/Concern	Our Responses
Employees	Ongoing education and training programmes	Monthly	• Employee satisfaction and well-being • Job training and development • Occupational Safety and Health Administration (OSHA) • Employee engagement and welfare	• Promote transparent communication with employees • Provide equal employment opportunities without discrimination • Offer industry-competitive benefits and remuneration packages • Provide relevant upskilling and development opportunities
	Employee events	As needed		
	Internal announcements	As needed		
Shareholders and investors	Annual Report	Annually	• Company development • Business strategy • Regulatory compliance	• Timely updates on the Group's strategy and financial performance via investor briefings and announcements • Uphold good governance practices across the Group, and supply chain
	Annual General Meeting	Annually		
	Analyst meetings	As needed		
	Announcements on Bursa Malaysia Securities Berhad	As needed		

SUSTAINABILITY STATEMENT (Continued)

Key Stakeholders	Engagement Channel	Frequency of engagement	Key Areas of Interest/Concern	Our Responses
Consumers, suppliers, and the general public	Corporate website	As needed	• Company development • Product quality and safety • Public service announcement • Product development • Animal nutrition, health and wellness	• Offer affordable products and services • Implement rigorous product assessments • Emphasis on the provision of transparent procurement processes
	Meetings	As needed		
	Social media channel	As needed		
	Exhibitions	As needed		
	Product launches	As needed		
	Forums	As needed		
Local communities	CSR initiatives	Periodically	• Employee volunteerism • Community engagement	• Periodic engagements/dialogues with local communities to address concerns • Investment in education and welfare to improve community well-being
Government and related authorities, industry, and trade associations	Advisory panelists	As needed	• Animal health, nutrition, and wellness • Industry trends and development • Employee participation	• Full compliance with regulatory requirements • Adoption of practices outlined in the Malaysian Code on Corporate Governance • Support government initiatives
	Key associations	As needed		
	Forums	As needed		
	Strategic partnerships and agreements	As needed		
	Memberships	As needed		
Media	Interviews (face-to-face, virtual)	As needed	• Business development and performance	• Engage media regularly through mainstream news and information channels on our business performance • Respond in a timely manner to media enquiries
Academia	Internship programmes	Annually	• Experiential learning • Mentorship	• Create internship opportunities to help students gain hands-on experience
	Hosting field trips	As needed		

MATERIAL ESG ISSUES

Rhone Ma conducts a rigorous materiality assessment to identify the environmental, social, and governance issues that have the greatest impact on our business, stakeholders, and society. The process ensures that our sustainability strategy addresses the most relevant and high-impact topics, aligning with global best practices and stakeholder expectations.

During the 2023 assessment, multiple ESG issues with significant implications for both internal and external stakeholders were identified. This process involved detailed questionnaire surveys with clients, suppliers, contractors, Board members, senior management, relevant departments, and employees to evaluate both the significance of each ESG issue to the Group and the impact of our operations on the environment and society. This initial assessment identified twelve (12) ESG issues.

In 2024, these issues were reassessed and consolidated under broader ESG categories to provide a more streamlined and comprehensive approach, resulting in ten (10) material issues. Online survey questionnaires were used to gather updated stakeholder insights, ensuring that our sustainability strategy continues to address the most pressing ESG concerns.

SUSTAINABILITY STATEMENT (Continued)

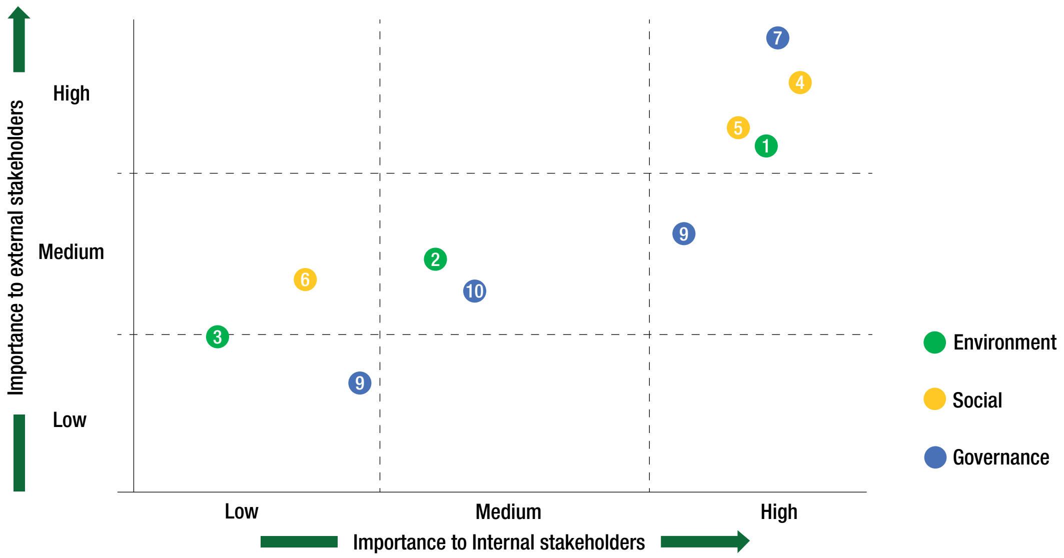
As there have been no significant changes to our business model, stakeholder expectations, operating environment, or risk landscape since the FY2024 reassessment exercise, we have determined that the previously identified material ESG matters remain relevant and valid for FY2025. Accordingly, a new materiality assessment was not conducted during this reporting period. However, a key update during this year was the reclassification of the material issue “Handling of Data and Data Security” from Social to Governance, reflecting its increased relevance and strategic importance.

In 2025, the materiality assessment metrics and the materiality matrix were reviewed and approved by the Board of Directors to guide the Company’s sustainability strategies and actions.

The 2025 assessment also incorporated an additional step to identify and prioritise sustainability risks and opportunities (SROs) that are material to the Group. These SROs are reported in accordance with the ISSB Standards, reinforcing our commitment to transparency, robust governance, and alignment with international ESG frameworks.

Rhone Ma systematically manages these material ESG issues in alignment with its sustainability strategy. The Group regularly monitors emerging developments, evaluates risks and opportunities, and continuously enhances its response strategies to ensure that ESG considerations are embedded across business operations.

RHONE MA’S 2025 MATERIALITY MATRIX



Environmental	Social	Governance
1 Resource Management	4 Occupational Safety and Health	7 Product Quality & Safety
2 General and Special Waste Management	5 Labour Conditions	8 Ethical and Lawful Behaviour
3 GHG Emissions	6 Impact to Local Communities	9 Transparency in Supply Chain
		10 Handling of Data and Data Security

SUSTAINABILITY STATEMENT (Continued)

Impact Assessment — Product/Service Quality & Safety

One of the most critical material issues identified by stakeholders is Product and Service Quality & Safety. External stakeholders consistently recognise Rhone Ma as a high performer in this area. Leveraging industry-leading technologies, robust quality systems, and effective operational execution, the Group enables its global partners to develop, manufacture, and deliver animal health products, supporting efforts to bring lifesaving therapeutics to animals and patients worldwide.

Quality is a core value embedded in Rhone Ma's organisational culture. Looking ahead, the Group remains committed to maintaining world-class quality standards, ensuring regulatory compliance, and delivering long-term value to clients, partners, and patients globally.

OPERATIONAL GOVERNANCE

Product Quality and Safety

Why it Matters

Promoting Responsible Antibiotic Use

The company is dedicated to developing and promoting products that support the responsible use of antibiotics in animals. This initiative aims to reduce the risks of antimicrobial resistance (AMR) to protect both animal and human health. As an end-to-end solution provider, the Group offers veterinary advisory and consultation services to guide proper animal health management. There is a strategic focus on preventive healthcare, with an increasing emphasis on vaccinations, supplements, and wellness programmes to maintain animal health and minimize the need for antibiotic intervention. Additionally, through initiatives like "Biru-Putih-Hati", the company promotes the use of natural, nutrient-rich feed ingredients to improve the nutritional value and sustainability of food products.

The "Biru-Putih-Hati" initiative, launched by the subsidiary APSN Biotech Sdn. Bhd., improves food sustainability by integrating natural, nutrient-rich feed ingredients such as Omega-3-rich forage, flax, and alfalfa into animal diets. This initiative, which is Malaysia's first comprehensive sustainable food program, aligns with the global Bleu-Blanc-Coeur movement. It improves sustainability by collaborating with breeders, processors, and scientists to deliver healthier food choices that have a lasting positive impact on the environment.

Management Structure and Policies

Ensuring product safety is fundamental to our business and vital for promoting animal health. We are dedicated to manufacturing our products in compliance with the highest industry standards and hygienic practices. Additionally, our group's quality policy guarantees complete adherence to all applicable laws and regulations, including licensing requirements, labelling standards, and customer specifications for products and services in the animal health industry.

SUSTAINABILITY STATEMENT (Continued)

Risks	Opportunities
• Significant risks include using uncalibrated weighing balances during dispensing, incorrect formula calculations, and failing to follow Standard Operating Procedures (SOPs). • Technical issues such as computerised system malfunctions, SCADA system errors, and data integrity lapses can lead to incorrect material volumes or finished products failing to meet Certificate of Analysis (COA) specifications. • The use of substandard, expired, or OOS (Out of Specification) materials can cause cross-contamination and product rejection. Furthermore, a lack of transparency in multi-tier supply chains for overseas materials increases the risk of receiving counterfeit or falsified materials. • Printing wrong batch numbers or information on finished products, which leads to traceability issues and hinders the company's ability to conduct an effective product recall if required. • Inadequate cleaning between batches can lead to cross-contamination and toxicity, posing a fatal risk to patients. • Deviations in warehouse air-con room temperatures (specifically exceeding 25°C) can cause products to lose efficacy over time. Externally, a break in the cold chain during delivery or storage can render a product ineffective. • Products may cause adverse effects due to formulation issues or contamination, leading to customer losses, compensation claims, and reputational damage.	• Rhone Ma gains a competitive edge by developing and promoting products that support responsible antibiotic use, thereby reducing the risks of antimicrobial resistance (AMR) to protect animal and human health. • Addressing cleaning and safety risks presents the opportunity to replace manual processes with automated cleaning-in-place (CIP) systems. Additionally, implementing closed-system operations and automated manufacturing protects employees from hazardous chemicals and pathogens. • The risk of substandard materials from global sources creates an opportunity to prioritise local suppliers, which reduces reliance on complex global supply chains vulnerable to geopolitical risks or pandemics. • Investing in specialized training to mitigate quality risks provides an opportunity to improve innovation and leadership within the organization by hiring and retaining skilled professionals. • Addressing packaging risks allows for a shift toward reusable, recyclable, or biodegradable packaging, meeting the growing market demand for eco-friendly solutions.

Our Approach

To ensure consistent product quality, we conduct a series of rigorous tests, including pH analysis, identification, assay, and microbial count. Our products are primarily generic and follow the formulations or recommended dosages established by reference or innovator products. Their safety and compliance with health standards have been validated through registration with the relevant authorities.

SUSTAINABILITY STATEMENT (Continued)

Product Quality and Safety	Unit	FY2023	FY2024	FY2025
Number of significant product and service categories for which health and safety impacts are assessed for improvement as at the end of the reporting period	Number	11	12	12
Total number of product and service categories as at the end of the reporting period	Number	12	12	12
Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	%	91.66	100.00	100.00
Total number of incidents of non-compliance with regulations or voluntary codes	Number	0	1	0
Total number of product recalls	Number	0	1	0
Total number of units that were subject to product recalls	Number	0	307	0

All relevant employees receive the necessary training to ensure compliance with applicable regulations and standards, which are integrated into our key Standard Operating Procedures ("SOPs"). These SOPs are reviewed and enhanced regularly to reflect evolving requirements and best practices. In addition, independent teams operating separately from production functions conduct periodic internal audits to provide impartial and objective assurance.

Details of Rhone Ma's quality-related certifications are listed below:

Product Quality Management Certification				
Entity Name	**Product/Service**	**Certification**	**Year First Awarded**	**Validity Period**
Rhone Ma Malaysia Sdn Bhd	Manufacturing a veterinary medicinal product	PIC/S GMP Guide	2012	Yearly
Rhone Ma Malaysia Sdn Bhd	Trading of Animal Health Products and Provision of Related Services	ISO 9001: 2015	2003	3 years
Rhone Ma Malaysia Sdn Bhd	Trading of Animal Health Products and Provision of Related Services	ISO 45001: 2018	2003	3 years
Vet Food Agro Diagnostic Sdn Bhd	Testing and Calibration Laboratory quality management system for veterinary	ISO 17025	2007	3 years
APSN Healthcare Sdn Bhd	Medical laboratory for medical microbiology	ISO 15189	2023	Yearly
APSN Healthcare Sdn Bhd	Good Distribution Practice for Medical Devices (GDPMD)	GDPMD	2021	3 years

SUSTAINABILITY STATEMENT (Continued)

Product Quality Management Certification				
Entity Name	**Product/Service**	**Certification**	**Year First Awarded**	**Validity Period**
One Lazuli Sdn Bhd	Supplier of livestock farming equipment, machines & tools and veterinary products Installation, servicing and commissioning of livestock farming equipment and machines	ISO 9001: 2015	2022	3 years
Rhone Ma Malaysia Sdn Bhd (Nilai)	Manufacturing specialty feed ingredient products from mixing	FAMI-QS (Feed Safety Management System with GMP)	2024	3 years

Ethical and Lawful Behaviour

Why it Matters

We recognise the potential harm that corruption can cause to our operations, reputation, and stakeholder trust. To mitigate these risks, we uphold the highest standards of integrity, accountability, transparency, and fairness as the cornerstone of our corporate governance. Guided by our Anti-Bribery & Anti-Corruption ("ABC") Policy and Procedure, we continuously reinforce a strong governance culture that promotes ethical conduct and fosters stakeholder trust.

Risks	Opportunities
• Exposure to corruption risks within the Group and across our supply chain. • Legal, regulatory and reputational risks from incidents of bribery or corruption.	• Requiring suppliers to comply with anti-bribery and anti-corruption standards. • Strengthening brand equity through demonstrated ethical practices. • Becoming a preferred business partner among reputable suppliers, clients and collaborators. • By maintaining transparent policies such as the Investor Relations and Sustainability Policies, the Group can secure continued access to funding and maintaining strong relationships with shareholders and regulators.

Our Approach

The Group adopts a strict zero-tolerance stance on all forms of bribery and corruption, as stipulated in our ABC Policy. The Policy is reviewed regularly to ensure ongoing alignment with the requirements of the Malaysian Anti-Corruption Commission (**"**MACC**"**) Act 2009 and other relevant regulatory expectations. The Group maintains a mandatory register for Gifts, Entertainment, Hospitality, Travel, Donation, and Sponsorship ("GEHTDS Register") to record any items valued at RM2,000 or greater for audit purposes.

The Board and Senior Management remain committed to conducting business with integrity and upholding the highest standards of ethical behaviour, as outlined in our Code of Conduct (**"**CoC**"**). The CoC sets out Rhone Ma's core principles and expected behaviours, providing clear guidance to all employees and Directors on responsible conduct and ethical decision-making.

SUSTAINABILITY STATEMENT (Continued)

To reinforce our governance commitments, the Group regularly communicates the key principles and requirements of the ABC Policy to employees. New employees are briefed on the Policy during their induction programme, which includes mandatory anti-bribery and anti-corruption training to strengthen awareness and understanding of expected conduct. In addition, our business associates are required to adhere to the ethical standards outlined in both the CoC and the ABC Policy, ensuring that our integrity values are upheld across our value chain.

In line with our commitment to integrity and transparent governance, the Group has established a confidential whistleblowing channel under the Whistleblowing Policy to facilitate the reporting of unethical behaviour, malpractices, illegal activities, or non-compliance with regulatory requirements. The mechanism promotes transparency and accountability by enabling both employees and external parties to raise genuine concerns without fear of retaliation, victimisation, or discrimination. To ensure objectivity, reports may be submitted through an independent channel that goes directly to the Chairman of the Audit and Risk Management Committee, enabling impartial review and appropriate follow-up.

The Group has various policies to manage reputation risk, including Anti-Bribery and Anti-Corruption Policy, the Board Charter, Code of Conduct, Code of Ethics, Corporate Disclosure Policy, Diversity Policy, Whistle-blowing Policy, Investor Relations Policy, and Sustainability Policy. These policies are publicly accessible on Rhone Ma's corporate website at ***www.rhonema.com.***

The Group is committed to maintaining the highest standards of integrity and ethical conduct across its operations. To support this commitment, employees are required to undergo training on the Group's ABC Policy to ensure awareness and compliance with ethical business practices. In FY2025, the Group achieved 100% employee completion of the ABC Policy training. During the year, the Group also undertook a comprehensive corruption risk assessment covering 100% of its operations, reinforcing its proactive approach to identifying and managing corruption-related risks while fostering a culture of integrity across the organisation.

Percentage of Employees Who Received Training on Anti-Corruption by Employee Category	**Unit**	**FY2023**	**FY2024**	**FY2025**
Senior Management	%	100	100	100
Middle Management	%	100	100	100
Other Employees	%	100	100	100

Operations Assessed for Corruption-Related Risks	**Unit**	**FY2023**	**FY2024**	**FY2025**
Operations assessed for corruption-related risks	%	100	100	100

Confirmed Incidents of Corruption and Action Taken	**Unit**	**FY2023**	**FY2024**	**FY2025**
Total number of confirmed incidents of corruption	Number	0	0	0

Supply Chain Management

Why it Matters

The Group is committed to responsible procurement and strengthening supply chain resilience by integrating sustainability considerations into our procurement processes. We actively support local businesses wherever feasible, contributing to economic development in the communities where we operate. Maintaining an ethical and accountable supply chain remains a key priority, underpinned by strong governance practices and close collaboration with our vendors and suppliers.

SUSTAINABILITY STATEMENT (Continued)

Risks	Opportunities
• Competitive price compared to overseas suppliers • Materials originated from overseas lack transparency in multi-tier supply chains which makes it difficult to track and monitor suppliers, leading to risks of counterfeit, substandard, or falsified materials. • Non-compliance with human rights due to industry labour practices. • High ESG-related compliance costs (e.g. human rights, health and safety).	• The Group can require all suppliers to comply with anti-bribery and anti-corruption standards, ensuring an ethical multi-tier supply chain. • Prioritise sourcing products and services from local suppliers whenever feasible • Strong governance and close collaboration with vendors and suppliers for ethical supply chain. • Perform supplier evaluation and audit to ensure quality and safety of the material.

Our Approach

As part of our commitment to ethical business conduct, as per the Group's ABC Policy, all suppliers, vendors, contractors, and business partners are expected to uphold the same ethical standards that guide our operations, including a strict zero-tolerance stance on bribery and corruption that governs internal operations. This reinforces our dedication to integrity, accountability, and responsible business conduct across our entire supply chain.

To uphold fairness and transparency in procurement, we assess all new vendors and suppliers against established criteria, including product quality, pricing, payment terms, production capacity, and past performance. This rigorous evaluation process ensures that we engage only with reliable and responsible partners who align with our values and support our commitment to sustainable procurement. Rhone Ma prioritises local sourcing wherever operationally feasible, contributing to domestic economic development while reducing supply chain risk.

Supply Chain Management	Unit	FY2023	FY2024	FY2025
Proportion of spending on local suppliers	%	22.35	24.21	23.78

Handling of Data and Data Security

Why it Matters

Safeguarding information and data privacy is essential to protect stakeholder trust, mitigate regulatory risk, and avoid financial or reputational losses arising from information leaks or cyber-attacks.

Management Structure and Policies

Recognising the importance of safeguarding our Information Technology ("IT") infrastructure, business data, and sensitive information, we have implemented comprehensive Group-wide IT Security Policies. These policies outline strict requirements for the handling, storage, and protection of confidential business information, personal data, and intellectual property, ensuring the integrity and security of our digital assets.

To uphold data security and regulatory compliance, both the Board of Directors and employees are required to adhere to corporate disclosure guidelines aligned with the Main Market Listing Requirements and the Personal Data Protection Act 2010 ("PDPA"). These measures ensure rigorous control over sensitive information, preventing unauthorised access, improper disclosure, and the misuse of insider information, including insider trading. Through these safeguards, the Group reinforces its commitment to responsible data governance and operational resilience.

SUSTAINABILITY STATEMENT (Continued)

Risks	Opportunities
• Information leaks and cyber-attacks causing reputational harm and business disruption. • System failures from malicious threats or unauthorised access. • Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.	• Developing incident response preparedness for potential data breaches demonstrates proactive management, which directly reduces financial and legal liability while protecting sensitive company and employee data. • Conduct regular IT risk assessments to enhance and ensure that IT systems are resilient, readily available for the users and secure from cyber-attacks.

Our Approach

The Group continuously monitors its IT infrastructure for potential cybersecurity breaches and tracks incidents involving data leaks, theft, or loss of company and customer information. In FY2025, the Group recorded zero substantiated complaints from external parties, regulatory authorities, or customers concerning breaches of customer privacy, and no identified leaks, thefts, or losses of customer data.

Data Privacy and Security	Unit	FY2023	FY2024	FY2025
Substantiated complaints concerning breaches of customer privacy or losses of customer data	Number	0	0	0

EMPOWERING OUR PEOPLE

The team at Rhone Ma comprises highly dedicated and experienced professionals who are our greatest asset and a key driver of our competitive advantage. Recognising that the well-being and growth of our employees are fundamental to our business and sustainability strategies, we are committed to fostering a collaborative and respectful environment, while creating a diverse, equitable, and inclusive workplace for all employees.

As a Group, we value our employees as the cornerstone of our success and long-term growth. We recognise that a skilled, engaged, and motivated workforce is essential to achieving our business objectives. Accordingly, we are dedicated to attracting high-calibre talent, supporting their professional development, and cultivating an inclusive work environment where individuals can thrive.

Rhone Ma strictly adheres to Malaysian labour laws and aligns its practices with internationally recognised standards to uphold employee rights and promote workplace diversity. Our people-centric approach focuses on providing employees with opportunities to enhance their skills, broaden their expertise, and advance in their careers, reinforcing our commitment to building a resilient and future-ready workforce.

Occupational Health and Safety (“OHS”)

Why it Matters

The health and safety of our employees and contractors remain a top priority across all our operations. We are committed to fostering a safe, healthy, and supportive work environment, with a strong focus on preventing workplace injuries, incidents, and occupational illnesses. Our efforts aim to ensure that everyone on our premises can work confidently and securely.

SUSTAINABILITY STATEMENT (Continued)

Management Structure and Policies

In line with the Occupational Safety and Health Act 1994 and the Occupational Safety and Health (Amendment) Act 2022, we have established the Integrated Quality and Occupational Health and Safety (IQOHS) Committee to actively promote a safe and healthy work environment. The Committee plays a central role in identifying and mitigating workplace risks, preventing work-related accidents, injuries, and occupational health issues among employees, contractors, and other stakeholders.

Complementing these efforts, our Emergency Preparedness and Response Team consists of trained personnel equipped with advanced first-aid skills and emergency response capabilities, ensuring the Group is well-prepared to manage emergencies effectively and safeguard the well-being of all personnel.

Risks	Opportunities
• Safety incidents or fatalities at operational and manufacturing sites. • Non-compliance with health and safety regulations, including the Occupational Safety and Health Act 1994 (OSHA) and its 2022 Amendment.	• The group explore automation to handle dangerous chemicals, reducing direct operator exposure. • Implementing closed-system operations, advanced protective equipment, and automated manufacturing processes to protect employees from exposure to hazardous pharmaceutical chemicals, active ingredients (APIs), and pathogens. • To replace conventional manual cleaning with automated cleaning-in-place systems, which would further enhance safety and operational efficiency. • Reducing costs by minimising risks related to accidents, legal claims, compensation payouts, and medical expenses. • Meeting and exceeding global safety standards, enabling entry into new markets and partnerships with safety conscious customers.

Our Approach

Rhone Ma provides comprehensive medical and health services to protect the well-being of our employees. This includes mandatory health assessments and annual health monitoring for production staff, ensuring early detection of potential occupational health risks.

Health and Safety Training

Health and safety training is provided throughout the employee lifecycle, including onboarding, on-the-job training, and annual or bi-annual refresher sessions. These programmes combine theoretical knowledge with practical, hands-on learning and cover essential topics such as emergency response, hazard identification, risk management, and overall health awareness. Through these initiatives, we equip our workforce with the knowledge and skills needed to operate safely and responsibly across all work environments.



SUSTAINABILITY STATEMENT (Continued)

The number of employees trained in health and safety standards is detailed below:

Health and Safety Training	Unit	FY2023	FY2024	FY2025
Number of employees trained in health and safety standards	Number	52	89	181

We consistently monitor, record, and evaluate key OHS performance indicators in our work environments. The Group tracks key safety metrics, including the Lost Time Incident Rate (LTIR), which measures work-related incidents resulting in lost workdays. In FY2025, the LTIR was 4.75, compared with 0.21 in FY2024, with reduction efforts ongoing. This underscores the Group's continued focus on improving workplace safety through enhanced training, risk mitigation, and monitoring programs. The Group's OHS performance details are shown below:

Health and Safety Training	Unit	FY2023	FY2024	FY2025
Number of work-related fatalities	Number	0	0	0
Number of work-related lost time injuries	Number	3	5	9
Lost Time Incident Rate ("LTIR")[1]	Rate	0.18	0.21	4.75

Note:

1. *Lost Time Incident Rate ("LTIR") = Number of lost time injuries in the reporting period divided by the total number of hours worked in the reporting period multiplied by 200,000*.*
   **The value of 200,000 represents a standardised value of the total amount of hours that 100 employees work weekly for 40 hours for a duration of 50 weeks (100 x 40 x 50 = 200,000).*

Labour Conditions

Diversity

Why it Matters

Rhone Ma is committed to cultivating a fair, inclusive, and respectful workplace where all employees are treated equally and free from discrimination. We embrace diversity and recognise the value that different cultural backgrounds, experiences, and personal attributes, such as age, gender, ethnicity, and nationality bring to our organisation. A diverse workforce strengthens our ability to attract and retain talent, foster innovation, and enhance organisational resilience and long-term performance.

Risks	Opportunities
• Absenteeism and workforce disruptions including from natural disasters, demise, or extended illness, can create manpower shortages affecting production and service delivery. • Reputational damage from perceived violations of labour rights and unethical work practices. • Non-compliance with labour regulations resulting in financial, operational or reputation impacts.	• Ensuring competitive wages, fair overtime pay, and benefits that meet or exceed local legal requirements Improve employee retention and satisfaction. • Transparent diversity reporting and policies supporting representation in R&D, leadership, and board roles strengthen brand reputation and talent acquisition competitiveness.

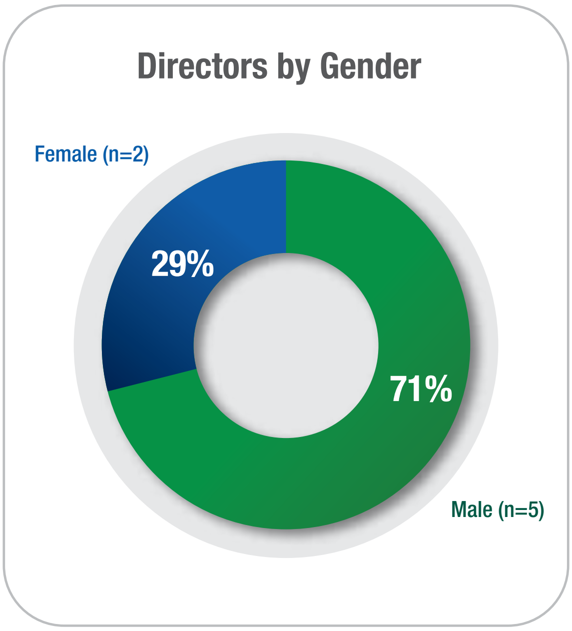
SUSTAINABILITY STATEMENT (Continued)

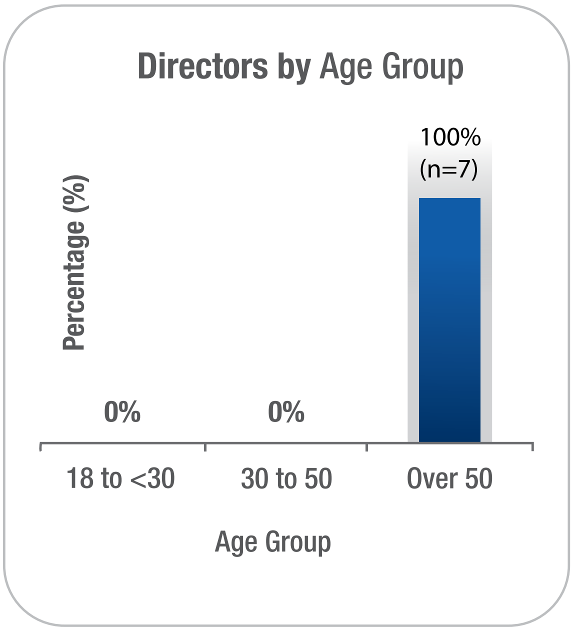
Our Approach

To support career growth and succession planning, the Group has implemented structured processes to assess talent and provide employees with relevant soft skills development and professional training. These initiatives help employees stay up to date, progress in their careers, and contribute meaningfully to the Group's long-term success.

Beyond capability building, our commitment to an inclusive and respectful workplace is embedded in Rhone Ma's Code of Conduct (CoC) and grievance procedures. These frameworks safeguard employees by ensuring fairness and protection against discrimination, bias, and harassment. The Group continues to strengthen its diversity, equity, and inclusion efforts, recognising that a diverse workforce reinforces organisational resilience and underpins our broader commitment to social sustainability.

Workforce Profile



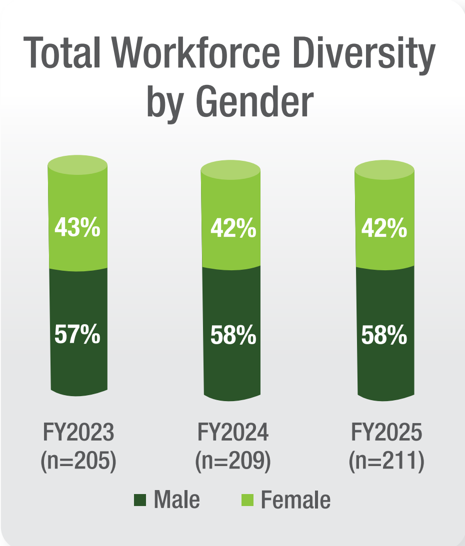


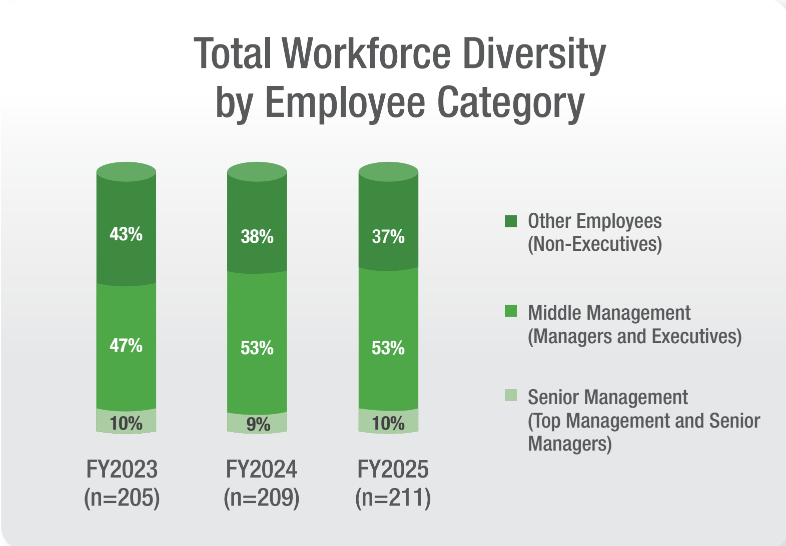
Board Diversity by Gender and Age Group

Directors	Unit	FY2023	FY2024	FY2025
Male	%	71	71	71
Female	%	29	29	29
18 to <30	%	0	0	0
30 to 50	%	0	0	0
Over 50	%	100	100	100

SUSTAINABILITY STATEMENT (Continued)

Workforce Breakdown





Employee Category	Unit	FY2023					FY2024					FY2025				
		Gender		Age			Gender		Age			Gender		Age		
		Male	Female	18 to <30	30 to 50	Over 50	Male	Female	18 to <30	30 to 50	Over 50	Male	Female	18 to <30	30 to 50	Over 50
Senior Management (Top Management and Senior Managers)	%	48	52	0	38	62	50	50	0	33	67	50	50	0	41	59
Middle Management (Managers and Executives)	%	42	58	34	65	1	44	56	33	65	2	44	56	33	64	3
Other Employees (Non-Executives)	%	76	24	56	40	5	80	20	59	36	5	81	19	55	40	5

Employment Practices

Why it Matters

Strong adherence to human rights and ethical treatment fosters a positive work environment and enhances productivity. Rhone Ma is committed to fair labour practices, full compliance with local laws, and upholding human rights standards across all operations.

Our Approach

The Group aligns with Malaysian labour regulations, including the Malaysian Employment Act 1955 (Amendment 2022) and the Minimum Wages Order 2024. Our Code of Conduct sets clear expectations for employees and external stakeholders regarding human rights practices in business engagements. This includes commitments to fair labour practices, zero tolerance for child and forced labour, protection against discrimination and harassment, and respect for freedom of association and collective bargaining.

Employees are informed about grievance management processes and whistleblowing policies. Our secure and confidential whistleblowing channels allow anonymous reporting of labour violations, disputes, or misconduct. For the current reporting period, Rhone Ma is pleased to report zero human rights violations or labour non-compliance complaints.

SUSTAINABILITY STATEMENT (Continued)

Labour Practices and Standards	Unit	FY2023	FY2024	FY2025
Substantiated Complaints Concerning Human Rights Violations	Number	0	0	0

Talent Acquisition and Onboarding

Why it Matters

Building a sustainable talent pipeline is essential to Rhone Ma. We adhere strictly to our Recruitment Policy and Procedures, ensuring that hiring decisions are based on merit, skills, experience, and role suitability, while aligning with the Group's values, culture, and vision.

Risks	Opportunities
• High staff turnover and single-person dependency in operational territories creates manpower risk that may affect production and customer service continuity. • The loss of key sales and technical personnel can disrupt customer relationships and operational performance.	• The Group is strengthening talent acquisition, workforce planning, and employee retention initiatives to ensure adequate staffing, reduce operational dependency, and support sustainable business growth. • Talent retention and career growth for potential employees, enhance personal development. • Investing in employee development through training programs or mentorship can improve performance and retention. • Hiring skilled professionals or specialists can improve innovation, productivity, and leadership within the organization.

Our Approach

A fair and unbiased recruitment approach strengthens our employer brand, attracts high-quality talent, and reinforces equitable employment practices. We closely monitor recruitment and attrition trends to maintain a stable and well-managed workforce. A key priority in our human capital strategy is supporting Malaysia's domestic workforce by prioritising the hiring of local talent whenever possible, contributing to national workforce development and social sustainability.

Employees that are Contractors or Temporary Staff	Unit	FY2023	FY2024	FY2025
Percentage of Employees that are Contractors or Temporary Staff	%	4.87	0.00	0.00

Total Number of Employee Turnover by Employee Category	Unit	FY2023	FY2024	FY2025
Senior Management	Number	0	0	0
Middle Management	Number	17	14	24
Other Employees	Number	19	9	12
Total	Number	36	23	37
Average Turnover Rate	%	17.56	11.00	17.54

SUSTAINABILITY STATEMENT (Continued)

Upskilling and Reskilling

Why it matters

Rhone Ma is committed to developing a highly adaptable and skilled workforce capable of thriving in a rapidly evolving market shaped by technological advancements and emerging trends. Training needs are regularly assessed through individual surveys, and programmes are continually reviewed to ensure relevance and effectiveness.

Risks	Opportunities
• Technical Knowledge Gap: Sales and marketing personnel have limited technical understanding of complex biological products, particularly poultry and swine vaccines. • Impact on Customer Engagement: The knowledge gap may result in ineffective communication of product benefits and value propositions to customers. • Limited technical competency may reduce customer confidence, hinder effective product positioning, and lead to missing potential business opportunities.	• Technical Training and Knowledge Sharing: Conduct regular joint field visits and product workshops led by the Technical Service team to enhance practical understanding of products among sales and marketing personnel. • Learning Resources Development: Develop simplified technical guides and digital learning modules to support self-paced learning and improve product knowledge. • Cross-Functional Collaboration: Strengthen collaboration between sales, marketing, and technical teams to ensure consistent product messaging and enhance overall technical competency.

Our Approach

Our comprehensive training initiatives cover occupational safety, product quality, waste management, technical competencies, laboratory diagnostic procedures, good manufacturing practices, professionalism, and essential soft skills. In FY2025, a total of 5,059 training hours were delivered, with an average of 24 hours per employee, demonstrating our commitment to a capable and future-ready workforce.

Total Hours of Training by Employee Category	Unit	FY2023	FY2024	FY2025
Senior Management	Number	675	440	303
Middle Management	Number	2,964	3,491	3,142
Other Employees	Number	1,420	2,796	1,614
Total	Number	**5,059**	**6,727**	**5,059**

Remuneration and Benefits

Rhone Ma provides fair and competitive compensation and benefits in full compliance with applicable legal requirements, aiming to strengthen employee retention, morale, and overall job satisfaction. All permanent employees are offered a comprehensive benefits package, including medical coverage, annual leave, life insurance, healthcare, disability and invalidity protection, parental leave, and other welfare provisions.

Benefits are allocated equitably based on tenure, job level, and length of service, supporting a motivating, inclusive, and supportive work environment. By offering competitive remuneration and well-structured benefits, the Group attracts and retains high-calibre talent while reinforcing a positive workplace culture that underpins organisational resilience and long-term sustainability.

SUSTAINABILITY STATEMENT (Continued)






CONTRIBUTION TO SOCIETY

Impact on Local Communities

Why it Matters

Creating social value is a core component of Rhone Ma's business and sustainability strategy. We are committed to operating in ways that contribute to society, enhance the well-being of local communities, and support our broader objectives in animal and public health, as well as social and environmental sustainability. Our efforts focus on uplifting the communities where we operate, contributing to their long-term development while ensuring our activities align with their needs and interests.

Rhone Ma's Corporate Social Responsibility (CSR) approach emphasises empowering employees to make a positive difference, promoting the spirit of volunteering, and giving back to the community.

Risks	Opportunities
• Reputational damage due to lack of initiatives in sustainability practices • Difficulty of complying with increasingly strict environmental regulations can lead to closures, fines and lawsuits. • Raising environmental and social awareness among internal and external stakeholder groups • Potential health risks to community members residing near the manufacturing plant from air/water pollution	• Continual support in sponsoring scholarships and offering internship opportunities to students pursuing veterinary studies in local universities. • Continuing to identify and support meaningful charitable initiatives, ensuring a lasting and positive impact on the communities • Reducing environmental risk by incorporating sustainable practices into community projects

Our Approach

Beyond financial contributions, the Group is committed to fostering future talent by awarding scholarships to students pursuing veterinary studies at Universiti Putra Malaysia and Universiti Malaysia Kelantan. Complementing this initiative, we offer internship opportunities at our headquarters in Petaling Jaya, providing students with practical industry exposure and hands-on experience.


SUSTAINABILITY STATEMENT (Continued)

While the exact number of individual beneficiaries is difficult to quantify since donations are often made directly to charitable foundations and organisations, the Group provided direct support to thirteen (13) organisations through monetary or asset contributions during the reporting period, compared to eighteen (18) in the preceding year. The decrease was primarily attributable to the consolidation of programmes into more structured, longer-term initiatives.

Looking ahead, Rhone Ma will continue to identify and support meaningful charitable initiatives, ensuring a lasting and positive impact on the communities we serve.

Community/Society	Unit	FY2023	FY2024	FY2025
Total Amount Invested in the Community where the Target Beneficiaries are External to the Listed Issuer	RM	46,902	45,860	35,000
Total Number of Beneficiaries of the Investment in Communities	Number	14	18	13

SUSTAINING OUR ENVIRONMENT

Rhone Ma Holdings Berhad manages its environmental impact through a formalised Environmental Policy and a broader Sustainability Policy, both governed by a structured framework to ensure accountability and continuous improvement. The Environmental Policy commits the Group to strict compliance with all applicable environmental laws and regulations, continuous monitoring of energy consumption and GHG emissions, prioritisation of energy-efficient practices and renewable material sourcing, implementation of a Refuse, Reduce, Reuse, Repurpose, and Recycle waste management strategy, responsible stewardship of water resources, and continuous improvement through training and regular environmental audits.

Resource Management

Energy Consumption and Greenhouse Gas ("GHG") Emissions

Why it matters

Operations rely on non-renewable energy sources such as diesel and electricity, which contribute to both direct and indirect greenhouse gas emissions. Beyond their environmental impact, these energy inputs expose the Group to escalating utility costs, carbon pricing risks, and heightened regulatory scrutiny as Malaysia and key export markets advance their low-carbon transition agendas. Proactive energy and emissions management is therefore both an environmental obligation and a strategic business imperative — supporting operational cost resilience, stakeholder confidence, and Rhone Ma's positioning as a responsible actor across the animal health and food ingredients value chain.

SUSTAINABILITY STATEMENT (Continued)

Risks	Opportunities
• Escalating utility costs driven by energy price volatility increase operational expenditure. High carbon emissions carry reputational risk and potential financial liabilities from carbon taxes. • Increased regulatory scrutiny, legal actions, and penalties associated with non-compliance. • Supply chain disruptions from climate-related events affecting material availability. • Loss of investment opportunities due to insufficient transparency in ESG energy practices.	• Gaining operational savings from energy efficiency upgrades and carbon management solutions (smart metering, IoT-enabled sensors that allows real time monitoring and reduction of energy usage) • Renewable energy transition by installing on-site solar panels to reduce greenhouse gas emissions and stabilizes long term energy costs • Enhancing our product designs to align with ESG principles • Adhering to international ESG standards and certifications to meet investor and customer expectations • Collaborating with stakeholders to raise awareness of sustainable practices

Our Approach

Energy performance is monitored through emissions reduction initiatives and efficiency measures. Key actions include:

- Integration of energy-saving technologies such as optimized HVAC systems, LED lighting, dust filtration systems, and efficient heating solutions across its manufacturing facilities and warehouses.
- Promotion of energy stewardship culture among employees through electricity-saving initiatives.
- Exploration of smart metering and IoT-enabled sensors for real-time energy monitoring.
- Consideration of renewable energy options, including on-site solar panels, to stabilise long-term energy costs. This initiative is identified as a key opportunity to reduce greenhouse gas emissions while simultaneously stabilizing long-term energy costs.

In FY2025, total energy consumption was 9,542.75 GJ, compared with the restated 8,806.94 GJ in FY2024 and 10,866.79 GJ in FY2023. The energy intensity per production volume stood at 2.77 GJ per tonne in FY2025, up from 2.08 GJ per tonne in FY2024 but significantly lower than 4.99 GJ per tonne in FY2023. The increase in total energy consumption in 2025 is linked to operational adjustments and higher demand for certain product lines, while the continued reduction in energy intensity compared with 2023 demonstrates improved efficiency in production processes.

Rhone Ma remains committed to integrating energy-efficient technologies, fostering an organisational culture of energy stewardship, and exploring renewable energy opportunities. These measures aim to stabilise long-term energy costs, enhance operational efficiency, and minimise the Group's environmental footprint.

Energy Management	Unit	FY2023	FY2024	FY2025
Diesel	Gigajoules (GJ)	225.79	1,052.90[1]	1,066.56
Electricity	Gigajoules (GJ)	10,641.09	7,754.04	8,476.19
Total Energy Consumption	Gigajoules (GJ)	10,866.79	8,806.94	9,542.75
Energy Intensity	Gigajoules / Production Volume (MT)	4.99	2.08	2.77

Note: *Diesel for 2024 has been restated due to improvement to the methodology to manage the consumption of diesel that includes energy to fuel the generator set and company vehicles.*

SUSTAINABILITY STATEMENT (Continued)

GHG Emissions

Our Approach

The Group monitors Scope 1 (direct) and Scope 2 (indirect) emissions, and in FY2024 expanded reporting to Scope 3 emissions related to business travel and employee commuting. To reduce emissions, local suppliers are prioritised to minimise transportation distances, and GHG emission intensity per tonne of production is tracked.

The Group actively monitors its carbon footprint to mitigate its impact on climate change. Monitoring includes direct emissions from fossil fuel consumption (Scope 1) and indirect emissions from purchased electricity (Scope 2). GHG emission intensity decreased from 1.03 tCO_2e/ Production Volume (MT) in FY2023 to 0.48 tCO_2e in FY2024, rising slightly to 0.65 tCO_2e in FY2025, demonstrating continuous efforts to optimise operations. Total GHG emissions amounted to 2,018.53 tCO_2e in FY2024 (restated) and 2,225.83 tCO_2e in FY2025, including Scope 1, 2, and 3 emissions (categories 6 & 7).

Emissions Management	Unit	FY2023	FY2024*		FY2025
			Before	After	
Scope 1 emissions	tCO_2-e	15.73	18.83	72.83	71.22
Scope 2 emissions	tCO_2-e	2,246.45	1,667.12	1,593.89	1,742.33
Scope 3 emissions	tCO_2-e	-	348.80	351.82	412.27
Total emissions	tCO_2-e	2,256.27	2,034.75	2,018.53	2,225.83
Emission Intensity	tCO_2-e / Production Volume (MT)	1.03	0.48	0.48	0.65

Note:

1. ** FY2024 data have been restated following updates to Scope 1 emission sources and Scope 3 emission factor categorisation to improve reporting accuracy.*
2. *Scope 1 emissions were calculated using emission factors sourced from the Malaysia Energy Statistics Handbook (MESH) 2023, UK Department for Energy Security and Net Zero (DESNZ), 2024 for FY2023 and FY2024, and DESNZ, 2025 for FY2025.*
3. *FY2024 Scope 1 emissions were restated to include emissions from both generator sets and company vehicles. Previously disclosed FY2024 data included emissions from generator sets only.*
4. *Scope 2 emissions represent indirect emissions from purchased electricity consumed for operations, calculated using the Malaysia Grid Emission Factor (GEF) (2022-2024).*
5. *Scope 2 emissions for FY2023 and FY2024 were initially calculated using the Peninsular Malaysia GEF of 0.774 $kgCO_2$/kWh from the Malaysian Grid Emission Factor (2017–2022) dataset, which was the latest available factor at the time of reporting. The FY2023 base year and FY2024 emissions were subsequently recalculated using updated factors of 0.760 $kgCO_2$/kWh (2023) and 0.740 $kgCO_2$/kWh (2024) as reported by MyEnergyStats, sourced from the Malaysia Energy Information Hub (MEIH) managed by the Energy Commission of Malaysia.*
6. *Scope 3 emissions currently include Category 6 – Business Travel and Category 7 – Employee Commuting. FY2024 data were restated (*) following correction of the emission factor category applied for Business Travel, based on DESNZ, 2024 emission factors.*

Materials

Why it matters

Acknowledging that natural resources are finite, the company views responsible sourcing as imperative for sustainable production and contributing to a circular economy.

SUSTAINABILITY STATEMENT (Continued)

Risks	Opportunities
• Product quality issue, poor condition of materials during transportation/handling. • Inconsistent quality or non-compliance of raw materials with regulatory and biosafety standards may compromise product safety, manufacturing efficiency, and regulatory approvals. • Supply Chain Disruptions: Limited availability or disruptions in the supply of critical raw materials may affect production continuity and product delivery. • Our manufacturing relies on highly specialized and regulated biological materials, which may have limited suppliers and long procurement lead times. • Responsible Sourcing Challenges: Some biological inputs may involve environmental or ethical concerns, creating risks related to sustainable sourcing and stakeholder expectations.	• Sustainable Procurement: The Group recognises the potential to progressively prioritise ethical and sustainable suppliers, including those providing plant-based or organic ingredients, as part of its longer-term sourcing strategy. • Packaging Innovations: Opportunities have been identified to shift from single-use materials to reusable, recyclable, or biodegradable packaging to meet the growing demand for eco-friendly solutions. • The Group actively tracks the usage of various materials, including active pharmaceutical ingredients, excipients, minerals, and vitamins, to identify areas for further optimization.

Our Approach

The Group actively monitors and reports material usage, such as active pharmaceutical ingredients, minerals, and vitamins, to identify optimization opportunities. Material procurement decisions are guided by quality, regulatory compliance, and biosafety standards, ensuring that sourced inputs meet the Group's manufacturing requirements. Where feasible, the Group explores opportunities to reduce material intensity and minimise waste across its production processes, in alignment with the Group's Environmental Policy commitment to responsible resource stewardship.

In FY2025, the Group achieved a 29.7% reduction in material usage, reflecting operational efficiency improvements despite a slightly lower production volume. A breakdown of the materials and corresponding details is provided in the list below.

Materials	Unit	FY2023	FY2024	FY2025
Active pharmaceutical ingredients	Kilograms	17,734.10	26,369.70	32,599.75
Excipients / Carriers	Kilograms	3,022,090.43	3,118,602.87	1,984,305.72
Minerals	Kilograms	230,479.75	463,928.08	497,466.61
Vitamins	Kilograms	71,717.48	83,926.09	54,985.17
Bottles/containers/drums/plastic, etc.	Kilograms	10,213.74	9,677.81	11,129.34
Box	Kilograms	12,170.22	8,639.86	11,671.36
Aluminium pouch	Kilograms	2,920.61	4,028.41	4,861.92
Woven bag	Kilograms	7,809.89	4,366.55	9,528,83
Label/package insert	Kilograms	2,631.26	3,106.60	6,752.68
Pharma (repack)	Kilograms	28,333.42	33,815.94	32,553.85
Pesticide	Kilograms	12,441.14	12,062.79	3,440.91

SUSTAINABILITY STATEMENT (Continued)

General and Special Waste Management

Scheduled Waste

Why it matters

Improper handling of industrial waste or pollutants can harm the environment, incur legal penalties, and affect community trust.

Risks	Opportunities
• Improper handling of industrial waste, emission or pollutants could lead to environmental damage and community opposition. • Non-compliance with regulatory environmental standards, such as unlicensed effluent discharge, improper scheduled waste handling or emission above allowable thresholds lead to penalties and negative stakeholder perception.	• Replace plastic, single-use materials with recycled, biodegradable, or easily recyclable packaging. • Implement smart inventory management to reduce expired products, thereby minimizing total waste generation. • Promoting efficient use of resources and materials that can be reused, repurposed or recycled to minimise waste.

Our Approach

Improper waste handling is recognized as a risk to the environment and the company's reputation. Mitigation efforts include:

The Group exclusively engages with licensed waste disposal contractors for hazardous materials, ensuring full compliance with the Environmental Quality Act 1974 and related regulations. Employees are trained in the 3R approach (Reduce, Reuse, Recycle), supported by initiatives like "Printing Only When Necessary" to minimize paper waste.

In FY2025, total waste generated was 67.50 tonnes, where 12.95 tonnes were diverted from disposal (through recycling or repurposing) and 55.13 tonnes were directed to disposal via licensed contractors. The Group continues to identify opportunities to improve diversion rates and reduce overall waste generation.

	Unit	FY2023	FY2024	FY2025
Total amount of waste generated for the year	Tonnes	20.07	69.30	67.50
Non-Hazardous Waste	Tonnes	-	**26.92**	**23.00**
Diverted from disposal	Tonnes	-	5.05	6.37
Directed to disposal	Tonnes	-	21.87	16.63
Hazardous Waste	Tonnes	20.07	**42.38**	**44.51**
Diverted from disposal	Tonnes	3.46	9.40	-
Directed to disposal	Tonnes	16.61	32.98	44.51
Waste Collected by Contractor: Diversion and Disposal Breakdown				
Total waste diverted from disposal	Tonnes	3.46	15.34	12.95
Total waste directed to disposal	Tonnes	18.95	57.16	55.13

SUSTAINABILITY STATEMENT (Continued)

Water Consumption and Effluents

Why it Matters

Water management is critical for maintaining hygiene standards, preventing contamination in manufacturing, and mitigating operational risks associated with water scarcity. Efficient water use is also essential to reduce utility costs and ensure a resilient supply chain.

Risks	Opportunities
• Water scarcity will lead to increasing of utility cost and disruption in manufacturing and product supply chain.	• Rainwater harvesting system is implemented in facility in Nilai and Kapar. • The collected rainwater is utilized for non-essential activities such as landscaping and sewage cleaning. • Complying with all requirements set by utility providers. • Engaging with authorities and utility providers at various stages of development

Management Structure and Policies

Wastewater discharge from the Group's operations is managed in compliance with Standard A of the Environmental Quality Act 1974, which governs effluent discharges upstream of raw water intake sources. A competent and certified operator oversees the operation and maintenance of the wastewater treatment plant at the Nilai facility. Effluent quality is monitored through weekly laboratory testing, with results submitted to the Department of Environment ("DOE") via the Online Environmental Reporting system.

Our Approach

The Group identifies water scarcity as a medium-level operational risk that could lead to increased utility costs and disruptions in the manufacturing supply chain. To address this, the company has implemented rainwater harvesting systems have been installed at the GMP-compliant facility in Nilai and the warehouse in Kapar, providing water for non-essential activities such as landscaping and sewage cleaning. Additionally, the Group is exploring the replacement of manual cleaning with automated Cleaning-In-Place ("CIP") systems to further improve operational and manufacturing efficiency.

The Group has successfully reduced water consumption intensity over the past reporting period. In FY2025, water consumption intensity stood at 0.0049 megalitres per production volume (MT), a marked reduction from 0.0072 megalitres per production volume (MT) in the base year 2023. This improvement reflects the effectiveness of water-saving initiatives, process optimisation, and operational controls implemented across manufacturing operations. While production volume in FY2025 decreased to 3,446.81 MT from 4,242.27 MT in FY2024, the Group has maintained a strong focus on efficient water use to minimise environmental impact.

Effluent data was not reported in the prior financial year. The Group has since established monitoring protocols and is disclosing effluent metrics from FY2025 onwards to reflect the material nature of wastewater management to its operations.

During the reporting period, the total volume of treated wastewater discharged at the Nilai facility was 107,140 litres in FY2025, a reduction of approximately 77% from 463,450 litres in FY2024. During FY2025, the Group received a notice of non-conformance from the DOE regarding manganese discharge levels. Corrective actions were promptly implemented and communicated to the DOE to address the out-of-specification parameter.

Rhone Ma remains committed to continuously improving its wastewater management practices through enhanced monitoring, operational improvements, and strengthened compliance measures to minimise environmental impact while maintaining regulatory compliance.

SUSTAINABILITY STATEMENT (Continued)

Water	Unit	FY2023	FY2024	FY2025
Total Volume of Water Consumption	Megalitres (ML)	15.75	16.00	16.88
Water Consumption Intensity	Megalitre / Production volume (MT)	0.0072	0.0038	0.0049
Effluents	**Unit**	**FY2023**	**FY2024**	**FY2025**
Total volume of effluents discharge	Litres	N/A	463,450	107,140
Number of incidents of non-compliance with discharge limits	Number	1	0	1

Note: *Effluent data applies to the wastewater treatment plant (WWTP) at Nilai site only.*

MOVING FORWARD

Rhone Ma remains committed to sustainability, consistently integrating Environmental, Social, and Governance ("ESG") principles into our business operations. Moving forward, we will strengthen our efforts to minimise environmental impact through responsible resource management, efficient waste reduction, and proactive carbon emissions control. Our dedication to workplace safety, employee well-being, and continuous professional development will further reinforce our positive social impact. At the same time, strong corporate governance and ethical business practices will continue to guide our long-term success as we advance our mission to be a comprehensive end-to-end animal health solutions provider.

SUSTAINABILITY STATEMENT (Continued)

PERFORMANCE DATA TABLE

Rhone Ma Holdings Berhad
BMLR Transition Period

Date & Time: 2026-04-15_09:52:38
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Product Quality & Safety	Number of significant product and service categories assessed for health & safety impacts	Number	12	Assess 100% of significant product and service categories annually	Internal	-
Product Quality & Safety	Percentage of significant product and service categories assessed for health & safety impacts	Percentage (%)	100.00	Maintain 100% assessment coverage	Internal	-
Product Quality & Safety	Total incidents of non-compliance with regulations or voluntary codes	Number	0	Maintain zero non-compliance incidents	Internal	-
Product Quality & Safety	Total number of product recalls	Number	0	Maintain zero product recalls	Internal	-
Ethical and Lawful Behaviour	Percentage of employees who received training on anti-corruption – Senior Management	Percentage (%)	100	Maintain 100% awareness training for all employee categories	Internal	Aligned to MACC Act 2009; ABC Policy reviewed annually
Ethical and Lawful Behaviour	Percentage of employees who received training on anti-corruption – Middle Management	Percentage (%)	100	Maintain 100% awareness training for all employee categories	Internal	-
Ethical and Lawful Behaviour	Percentage of employees who received training on anti-corruption – Other Employees	Percentage (%)	100	Maintain 100% awareness training for all employee categories	Internal	-
Ethical and Lawful Behaviour	Percentage of operations assessed for corruption--related risks	Percentage (%)	100	Maintain 100% operational assessment coverage in corruption risk assessment	Internal	Comprehensive corruption risk assessment conducted in FY2025 covering all operations
Ethical and Lawful Behaviour	Total number of confirmed incidents of corruption	Number	0	Maintain zero confirmed incidents	Internal	-
Transparency in Supply Chain	Proportion of spending on local suppliers	Percentage (%)	23.78	Maintain and increase local supplier spending where operationally feasible	Internal	Local supplier defined as suppliers with registered business address in Malaysia

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SUSTAINABILITY STATEMENT (Continued)

PERFORMANCE DATA TABLE (Continued)

Rhone Ma Holdings Berhad
BMLR Transition Period

Date & Time: 2026-04-15_09:52:38
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Handling of Data and Data Security	Number of substantiated complaints concerning breaches of customer privacy or losses of customer data	Number	0	Maintain zero incidents of data privacy and security breaches	Internal	Governed by PDPA 2010 and Group-wide IT Security Policies; corporate disclosure guidelines aligned to MMLR
Occupational Health and Safety	Number of work-related fatalities	Number	0	Maintain zero work-related fatalities	Internal	-
Occupational Health and Safety	Number of work-related lost time injuries	Number	9	-	Internal	-
Occupational Health and Safety	Lost Time Incident Rate (LTIR)	Rate	4.75	Reduction in LTIR from FY2024 levels	Internal	LTIR = (Lost time injuries ÷ Total hours worked) × 200,000. Increase from 0.21 (FY2024) reflects period of heightened focus on incident reporting transparency; reduction efforts ongoing
Occupational Health and Safety	Number of employees trained in health and safety standards	Number	181	Ensure 100% of employees receive health and safety training annually	Internal	-
Labour Conditions	Percentage of directors by gender group — Board (Male)	Percentage (%)	71	-	Internal	-
Labour Conditions	Percentage of directors by gender group — Board (Female)	Percentage (%)	29	Achieve at least 30% female Board representation	Internal	Aligned to MCCG Guidance on Board diversity
Labour Conditions	Percentage of directors by age group — Between 18 to <30	Percentage (%)	0	-	Internal	-
Labour Conditions	Percentage of directors by age group — Between 30 to 50	Percentage (%)	0	-	Internal	-
Labour Conditions	Percentage of directors by age group — Over 50	Percentage (%)	100	-	Internal	-
Labour Conditions	Percentage of total employees by Gender Group - Total Workforce (Male)	Percentage (%)	58	-	Internal	-

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SUSTAINABILITY STATEMENT (Continued)

PERFORMANCE DATA TABLE (Continued)

Rhone Ma Holdings Berhad
BMLR Transition Period

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FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Labour Conditions	Percentage of total employees by Gender Group - Total Workforce (Female)	Percentage (%)	42	-	Internal	-
Labour Conditions	Percentage of total employees by Age Group - Total Workforce (Between 18 to <30)	Percentage (%)	38	-	Internal	-
Labour Conditions	Percentage of total employees by Age Group - Total Workforce (Between 30 to 50)	Percentage (%)	53	-	Internal	-
Labour Conditions	Percentage of total employees by Age Group - Total Workforce (Over 50)	Percentage (%)	9	-	Internal	-
Labour Conditions	Percentage of total employees by Employee Category - Total Workforce (Senior Management)	Percentage (%)	10	-	Internal	-
Labour Conditions	Percentage of total employees by Employee Category - Total Workforce (Middle Management)	Percentage (%)	53	-	Internal	-
Labour Conditions	Percentage of total employees by Employee Category - Total Workforce (Other Employees)	Percentage (%)	37	-	Internal	-
Labour Conditions	Percentage of Employees - Gender Group by Employee Category (Senior Management - Male)	Percentage (%)	50	-	Internal	-
Labour Conditions	Percentage of Employees - Gender Group by Employee Category (Senior Management - Female)	Percentage (%)	50	-	Internal	-

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SUSTAINABILITY STATEMENT (Continued)

PERFORMANCE DATA TABLE (Continued)

Rhone Ma Holdings Berhad
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FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Labour Conditions	Percentage of Employees - Gender Group by Employee Category (Middle Management - Male)	Percentage (%)	44	-	Internal	-
Labour Conditions	Percentage of Employees - Gender Group by Employee Category (Middle Management - Female)	Percentage (%)	56	-	Internal	-
Labour Conditions	Percentage of Employees - Gender Group by Employee Category (Other Employees - Male)	Percentage (%)	81	-	Internal	-
Labour Conditions	Percentage of Employees - Gender Group by Employee Category (Other Employees- Female)	Percentage (%)	19	-	Internal	-
Labour Conditions	Percentage of Employees - Age Group by Employee Category (Senior Management - Between 18 to <30)	Percentage (%)	0	-	Internal	-
Labour Conditions	Percentage of Employees - Age Group by Employee Category (Senior Management - Between 30 to 50)	Percentage (%)	41	-	Internal	-
Labour Conditions	Percentage of Employees - Age Group by Employee Category (Senior Management - Over 50)	Percentage (%)	59	-	Internal	-
Labour Conditions	Percentage of Employees - Age Group by Employee Category (Middle Management - Between 18 to <30)	Percentage (%)	33	-	Internal	-

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SUSTAINABILITY STATEMENT (Continued)

PERFORMANCE DATA TABLE (Continued)

Rhone Ma Holdings Berhad
BMLR Transition Period

Date & Time: 2026-04-15_09:52:38
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Labour Conditions	Percentage of Employees - Age Group by Employee Category (Middle Management - Between 30 to 50)	Percentage (%)	64	-	Internal	-
Labour Conditions	Percentage of Employees - Age Group by Employee Category (Middle Management - Over 50)	Percentage (%)	3	-	Internal	-
Labour Conditions	Percentage of Employees - Age Group by Employee Category (Other Employees - Between 18 to <30)	Percentage (%)	55	-	Internal	-
Labour Conditions	Percentage of Employees - Age Group by Employee Category (Other Employees - Between 30 to 50)	Percentage (%)	40	-	Internal	-
Labour Conditions	Percentage of Employees - Age Group by Employee Category (Other Employees - Over 50)	Percentage (%)	5	-	Internal	-
Labour Conditions	Number of substantiated complaints concerning human rights violations	Number	0	Maintain zero substantiated human rights violations complaints	Internal	Governed by Employment Act 1955 (Amendment 2022), Minimum Wages Order 2024, and Group Code of Conduct
Labour Conditions	Percentage of employees that are contractors or temporary staff	Percentage (%)	0.00	-	Internal	-
Labour Conditions	Total employee turnover	Number	37	-	Internal	-
Labour Conditions	Average employee turnover rate	Percentage (%)	17.54	-	Internal	-
Labour Conditions	Total training hours – Senior Management	Hours	303	-	Internal	-

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SUSTAINABILITY STATEMENT (Continued)

PERFORMANCE DATA TABLE (Continued)

Rhone Ma Holdings Berhad
BMLR Transition Period

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FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Labour Conditions	Total training hours – Middle Management	Hours	3,142	-	Internal	-
Labour Conditions	Total training hours – Other Employees	Hours	1,614	-	Internal	-
Labour Conditions	Total training hours (all employees)	Hours	5,059	-	Internal	Average of 24 training hours per employee in FY2025; programmes cover OHS, GMP, product quality, waste management, diagnostics, and soft skills
Impact on Local Communities	Total community investment (external beneficiaries)	RM	35,000	Continually expand community involvement and investment	Internal	Direct monetary and asset contributions to 13 organisations in FY2025; Community investment scope includes only external beneficiaries; internal employee welfare excluded
Impact on Local Communities	Total number of beneficiary of the investment in communities	Number	13	Continually expand community involvement	Internal	-
Resource Management	Total energy consumption – Diesel	Gigajoules (GJ)	1,066.56	-	Internal	FY2024 diesel restated to include generator sets and company vehicles. Diesel emission factors: DESNZ 2025 for FY2025; DESNZ 2024 for FY2024 and FY2023
Resource Management	Total energy consumption – Electricity	Gigajoules (GJ)	8,476.19	-	Internal	-
Resource Management	Total energy consumption (all sources)	Gigajoules (GJ)	9,542.75	-	Internal	Total energy up from restated 8,806.94 GJ in FY2024 due to operational adjustments and higher product line demand

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SUSTAINABILITY STATEMENT (Continued)

PERFORMANCE DATA TABLE (Continued)

Rhone Ma Holdings Berhad
BMLR Transition Period

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FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Resource Management	Energy intensity per production volume	GJ per tonne of production volume	2.77	-	Internal	Energy intensity improved significantly from 4.99 GJ/tonne in FY2023 base year; slight increase from 2.08 GJ/tonne in FY2024 due to production mix changes
GHG Emissions	Scope 1	tCO_2e	71.22	-	Internal	Scope 1 covers diesel combustion from generator sets and company vehicles; Emission factors: DESNZ 2025 for FY2025; DESNZ 2024 for FY2024 and FY2023
GHG Emissions	Scope 2 (location-based)	tCO_2e	1,742.33	-	Internal	Scope 2 calculated using Malaysian Grid Emission Factor (GEF); MyEnergySt-ats/MEIH, Energy Commission Malaysia. FY2023 and FY2024 recalculated using updated GEFs of 0.760 $kgCO_2$/kWh and 0.740 $kgCO_2$/kWh respectively
GHG Emissions	Total Scope 3 - Category 6: Business Travel and Category 7: Employee Commuting	tCO_2e	412.27	-	Internal	Scope 3 reporting initiated in FY2024; currently covers two categories. FY2024 data restated following correction of Category 6 emission factor. Scope 3 methodology per GHG Protocol Corporate Value Chain (Scope 3) Standard (2011); DESNZ 2025 emission factors applied
GHG Emissions	Scope 3 – Category 6: Business Travel	tCO_2e	175.36	-	Internal	-
GHG Emissions	Scope 3 – Category 7: Employee Commuting	tCO_2e	236.91	-	Internal	-
GHG Emissions	Total GHG emissions (Scope 1 + 2 + 3)	tCO_2e	2,225.83	-	Internal	FY2024 total restated following Scope 1 and Scope 3 methodology updates

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SUSTAINABILITY STATEMENT (Continued)

PERFORMANCE DATA TABLE (Continued)

Rhone Ma Holdings Berhad
BMLR Transition Period

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FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
GHG Emissions	GHG emission intensity per production volume	tCO_2e per tonne of production volume	0.65	-	Internal	-
Resource Management	Total material usage	Kilograms	2649296.14	-	Internal	-
General and Special Waste Management	Total waste generated	Tonnes	67.50	-	Internal	-
General and Special Waste Management	Total waste diverted from disposal	Tonnes	12.95	-	Internal	All scheduled waste disposed via licensed contractors in compliance with Environmental Quality Act 1974
General and Special Waste Management	Total waste directed to disposal	Tonnes	55.13	-	Internal	-
Resource Management	Total volume of water consumption	Megalitres	16.88	Reduce water consumption intensity by 30% by 2035 from FY2023 base year	Internal	Water sourced from public utility supply; all operational sites included
Resource Management	Water consumption intensity (per production volume)	Megalitres per tonne of production volume	0.0049	Reduce intensity by 30% by 2035 from FY2023 base (0.0072 ML/tonne)	Internal	-
Resource Management	Total volume of effluent discharged	Litres	107,140	-	Internal	Data applies to wastewater treatment plant (WWTP) at Nilai manufacturing site only; effluent reporting commenced FY2024
Resource Management	Number of incidents of non-compliance with water discharge limits	Number	1	-	Internal	Compliance standard: Standard A, Environmental Quality Act 1974; monitoring via Online Environmental Reporting system (DOE)

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CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board of Directors ("the Board") of Rhone Ma Holdings Berhad recognises the importance of corporate governance and is committed to ensure that the principles and best practices in corporate governance as set out in the Malaysian Code on Corporate Governance 2021 ("the Code") and Corporate Governance Guide (4th Edition) are observed and practised throughout the Company and its subsidiaries (collectively referred to as "the Group") so that the affairs of the Group are conducted with integrity and professionalism with the objective of safeguarding shareholders' investment and ultimately enhancing shareholders' value.

This statement outlines the following principles and recommendations which the Group has comprehended and applied with the best practices outlined in the Code:

- Board Leadership and Effectiveness
- Effective Audit and Risk Management
- Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

This statement is prepared in compliance with Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements and it is meant to be read together with the Statement on Corporate Governance and the Corporate Governance Report. The Corporate Governance Report provides details on how the Company has applied each practice as set out in the Code for the financial year ended 31 December 2025, a copy of which is available on the Company's website (www.rhonema.com) as well as via an announcement on the website of Bursa Securities.

The Board will continue to take measures to improve compliance with the principles and recommended best practices in the ensuing years.

BOARD LEADERSHIP AND EFFECTIVENESS

The Board has considered and discussed a wide range of matters during the financial year ended 31 December 2025, including strategic decisions and the reviewing of risk associated matters in the business. The Board is aware that decisions made for the business of the Group would affect a broad range of our stakeholders. While the Board sought to ensure that the decisions were taken in a way that was fair and consistent with the Group's values, the Board also recognised the importance of balancing these with the need to support the long-term future of the business.

During the year, the Board undertook a review of its Board Charter and policies to ensure compliance with the regulatory requirements. It is designed to provide guidance and clarity for Directors and Management with regard to the role of the Board and its Committees, the requirement of the Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as the Board's operating practices including matters reserved for the Board.

Moving forward, the Board will endeavour to maintain a register of potential directors which include high-calibre female candidates and appoint them when the need arise.

Further details on how the Board operates effectively and is collectively responsible for the long-term sustainable success of the Group can be obtained in the Statement on Corporate Governance of this Annual Report.

EFFECTIVE AUDIT AND RISK MANAGEMENT

The Audit and Risk Management Committee played a key role in ensuring integrity and transparency of corporate reporting. The Audit and Risk Management Committee's role is to review and challenge Management to ensure that appropriate disclosures of accounting treatment and

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

accounting policies are made. The Audit and Risk Management Committee has a duty to provide assurance to the Board that robust risk management, controls and assurance processes are in place. It continues to monitor the potential risks of the Group and ensures that mitigating factors are in place to ensure health, safety and business continuity of the Group.

Risk management is a critical component of good management practice and effective corporate governance. With the Risk Management Framework being in place, the Board's decision-making was supported by sufficient information for the right discussions and considerations. The enhanced level of risk debate and greater involvement from the Management was also critical in ensuring that appropriate monitoring and mitigations were embedded to support the proposals under discussion.

During the financial year under review, the Audit and Risk Management Committee with the assistance of the internal audit function had undertaken a thorough review of the following areas within the Group to ensure that appropriate controls and effective management processes are in place:

(i) Compliance with the Guidelines on Adequate Procedures in pursuant to provisions under Section 17(A)(5) of the Malaysian Anti-Corruption Commission Act 2009;
(ii) Sustainability Statement review;
(iii) Safety and health;
(iv) Human resources;
(v) Annual inventory count; and
(vi) Inventory management.

The Board will continue to drive a proactive risk management approach and ensure that the Group's employees have a good understanding of the application of risk management principles in order to work towards cultivating a sustainable risk management culture. The Board will also continue to challenge the Group's risk reporting mechanism and ensure that it is data-driven to capture and quantify exposures where applicable and necessary.

Further details pertaining to the activities undertaken by the Audit and Risk Management Committee can be obtained in the Report on the Audit and Risk Management Committee of this Annual Report.

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

The Group recognises the importance of stakeholder engagement to the long-term sustainability of its businesses. As a responsible corporate citizen, we must interact with stakeholders and also acknowledge the potential impact that our operations may have on a wide range of stakeholders. For an engagement to be constructive and meaningful, each matter considered by the Board ought to be in the context of the relevant environmental, social and governance factors. The Company has heightened its engagement efforts with stakeholders by engaging with analysts, fund managers and shareholders, both locally and overseas, upon request.

The Company has yet to adopt an integrated reporting framework. The Board acknowledged that integrated reporting goes beyond a mere combination of our financial statements and sustainability report into a single document. Nevertheless, there are coordinated efforts among cross-functional departments in preparing the various statements and reports in the Annual Report.

PRELUDE

Over the next few pages, we will look at the Board, its role, performance and oversight. We will provide details on the Board's activities and discussions during the financial year, the actions arising from these and the progress made against them. We will also provide an insight on director independence, evaluation on the effectiveness of our Board, succession planning and other on-going developments.

STATEMENT ON CORPORATE GOVERNANCE

BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

1. Board of Directors

The Group acknowledges the pivotal role played by the Board in the stewardship of its directions and operations, and ultimately the enhancement of long-term shareholders' value. To fulfil this role, the Board plays a critical role in setting the appropriate tone at the top and is in charge of leading and managing the Group in an effective and ethical manner. The directors individually have a legal duty to act in the best interest of the Group and are also collectively aware of their responsibilities to the stakeholders for the manner in which the affairs of the Group are managed. There is a clear division of functions between the Board and the Management to ensure that no single individual or group dominates the decision-making process.

The Board's responsibilities, amongst others, include:

(a) Promoting good corporate governance practices within the Group which reinforce ethical, prudent and professional behaviour;

(b) Reviewing and deciding on Management's proposals for the Group as well as monitoring their implementation by Management;

(c) Ensuring that the strategic plans of the Group support long-term value creation and include strategies on environmental, social and governance ("ESG") considerations underpinning sustainability;

(d) Supervising and assessing Management's performance to determine whether the business is being properly managed;

(e) Ensuring there is a sound framework for internal controls and risk management;

(f) Understanding the principal risks of the Group's business and recognising that business decisions involve the taking of appropriate risks;

(g) Setting the risk appetite within which the Board expects Management to operate and ensuring that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;

(h) Ensuring that Management has the necessary skills and experience, and that there are measures in place to provide for the orderly succession of Board and Management;

(i) Ensuring that the Group has in place procedures to enable effective communication with stakeholders; and

(j) Ensuring the integrity of the Company's financial and non-financial reporting.

The Board is supported by Board Committees with delegated responsibilities to oversee the Group's affairs and are authorised to act on behalf of the Board in accordance with their respective charters:

(i) Nominating Committee

(ii) Remuneration Committee

(iii) Audit and Risk Management Committee

STATEMENT ON CORPORATE GOVERNANCE (Continued)

All the Board Committees are actively engaged and act as oversight committees. They evaluate and recommend matters under their purview for the Board to consider and approve. The Board receives updates from the respective Chairperson of the Board Committees on matters that have been discussed and deliberated at the respective meetings.

The Board may form other committees delegated with specific authorities to act on their behalf. These committees will operate under approved terms of reference or guidelines and are formed whenever required.

The profiles of the Directors are presented on pages 10 to 16 of this Annual Report.

2. Separation of Positions of Chairman and Group Managing Director

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions. The roles of Chairman and Group Managing Director of the Company are separately held and each has clearly accepted division of responsibilities and accountability to ensure a balance of power and authority. This segregation of roles also facilitates a healthy open exchange of views between the Board and Management in their deliberation of the business, strategic and key activities of the Group.

The Chairman of the Board, Dato' Hamzah Bin Mohd Salleh, an Independent Non-Executive Director, leads the Board with focus on governance and compliance and acts as a facilitator at Board meetings. The Chairman's key responsibilities, amongst others, include:

(a) Providing leadership for the Board in order for the Board to perform its responsibilities effectively;

(b) Setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;

(c) Leading Board meetings and discussions;

(d) Encouraging active participation at Board meetings and allowing dissenting views to be freely expressed;

(e) Managing the interface between Board and Management;

(f) Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole; and

(g) Leading the Board in establishing and monitoring good corporate governance practices within the Group.

The Group Managing Director, Dr Lim Ban Keong, oversees the day-to-day operations to ensure the smooth and effective running of the Group. He is assisted by Foong Kam Weng, an Executive Director of the Company. The Group Managing Director also implements the policies, strategies, decisions adopted by the Board, monitors the financial results against plans and budgets and acts as a conduit between the Board and Management in ensuring the success of the Group's governance and management functions. The Executive Directors take on the primary responsibility to spearhead and manage the overall business activities of the various business segments of the Group to ensure optimum utilisation of corporate resources and expertise to achieve the Group's long term objectives. The Executive Directors are assisted by the heads of departments in the Group's day-to-day operations.

The Board is also of the view that the Chairman of the Board should not be involved in any Board Committee in order to ensure check and balance as well as to ensure that objectivity will not be impaired/influenced by the Chairman of the Board sitting on Board Committees. The Chairman of the Board has not been a member of any Board Committee since listing and does not participate in any of the Board Committees by way of invitation.

3. Supply of and Access to Information

STATEMENT ON CORPORATE GOVERNANCE (Continued)

The Directors have full and unrestricted access to all information pertaining to the Group's businesses affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties effectively.

Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors and Board Committees in advance of the scheduled meetings. Notices of meetings are sent to Directors at least seven (7) days before the meetings. Management provides the Board with detailed meeting materials at least seven (7) days in advance of the Board or Board Committees' meetings.

Management is requested to attend Board meetings to present and provide additional information on matters being discussed and to respond to any queries that the Directors may have.

Technology is effectively used in the meetings of the Board and Board Committees and in communication with the Board.

4. Commitment of the Board

The Board would meet at least four (4) times a year. The meetings are scheduled at the onset of the financial year to help facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened where necessary to deal with urgent and important matters that require attention of the Board. All Board meetings are furnished with proper agendas with due notice given and Board papers are prepared by the Management and circulated to all Directors prior to the meetings.

All pertinent issues discussed at the Board meetings are properly recorded by the Company Secretaries.

The Board met five (5) times during the financial year ended 31 December 2025. Details of attendance are as follows:

Directors	Attendance	%
Dato' Hamzah Bin Mohd Salleh	5/5	100%
Dr Lim Ban Keong	5/5	100%
Foong Kam Weng	5/5	100%
Dr Yip Lai Siong	5/5	100%
Teoh Chee Yong	5/5	100%
Rahanawati Binti Ali Dawam	5/5	100%
Martin Jeyaratnam A/L Thiagaraj	5/5	100%

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities which is evidenced by the satisfactory attendance record of the Directors at each Board meeting.

It is the Board's policy for Directors to notify the Board before accepting any new directorship notwithstanding that the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") allow a Director to sit on the board of a maximum of five listed issuers. Such notification is expected to include an indication of time that will be spent on the new appointment. At present, all Directors of the Company have complied with the MMLR where they do not sit on the board of more than five (5) listed issuers.

STATEMENT ON CORPORATE GOVERNANCE (Continued)

5. Continuous Development of the Board

The Board, via the Nominating Committee, continues to identify and attend appropriate briefings, seminars, conferences and courses to keep abreast of changes in legislations and regulations affecting the Group.

All Directors have completed the Mandatory Accreditation Programme Part I and II. The Directors are mindful that they would continue to enhance their skills and knowledge to maximise their effectiveness as Directors during their tenure. Throughout their period in office, the Directors are continually updated on the Group's business and the regulatory requirements.

Details of training programmes attended by the Directors during the financial year are as follows:

Directors	Date	Programmes attended
Dato' Hamzah Bin Mohd Salleh	24 September 2025	Overview of OSHA (Amendment) 2022 & the Requirements of OSH Coordinator
Dr Lim Ban Keong	29 April 2025	Feed Quality & Nutritional Seminar 5.0 Advancing Livestock Efficiency Through One Health Approach
	13 May 2025	Xpert Symposium 2025
	10 June 2025	FAMI-QS Code of Practice Training
Foong Kam Weng	10 April 2025	Sumitomo Chemical Product Training
	10 April 2025	Veesure Animal Health Product Training
	13 June 2025	FAMI-QS Awareness Training
	27 November 2025	Good Distribution Practice
Dr Yip Lai Siong	29 April 2025	Feed Quality & Nutritional Seminar 5.0 Advancing Livestock Efficiency Through One Health Approach
	17 May 2025	Professional Qualification in Nutritional and Functional Medicine Part I
	27 - 29 August 2025	Livestock Malaysia 2025 Technical Seminar
	6 October 2025	Zoetis Poultry Technical Seminar
	6 - 10 October 2025	XXII World Veterinary Poultry Association Congress Sustainable Healthy Poultry for Healthier World
	10 December 2025	WPSA Technical Seminar
Martin Jeyaratnam A/L Thiagaraj	16 April 2025	Trump's Tariffs: How has the World Changed
	5 June 2025	ASEAN AI Conversations Dialogue Series
	26 August 2025	Renewable Power, Digital Growth: Malaysia's Sustainable Edge
	30 November 2025	Conflict of Interests - Fundamentals, Strategies and Case Studies

STATEMENT ON CORPORATE GOVERNANCE (Continued)

Directors	Date	Programmes attended
Rahanawati Binti Ali Dawam	23 January 2025	Limited Liability Law Partnerships
	19 - 20 August 2025	Leading Governance for Sustainable Growth
	30 September 2025	Property and Strata Law Webinar: Urban Renewal Concept, En-Bloc Sales and Termination of Strata Titles
	20 November 2025	Governance in Crisis: Comparative Lessons from Billion
Teoh Chee Yong	30 October 2025	AI at the Helm: How Directors can Govern the Future

The Company Secretaries will also highlight the changes to the relevant guidelines on statutory and regulatory requirements from time to time to the Board. The external auditors on the other hand, briefed the Board on changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year.

6. Board Committees

Audit and Risk Management Committee

The Audit and Risk Management Committee monitors internal control policies and procedures designed to safeguard the Group's assets and to maintain the integrity of financial reporting. It maintains direct and unfettered access to the Company's external auditors, internal auditors and Management.

The Report on the Audit and Risk Management Committee is set out on page 101 to 104 of this Annual Report.

A copy of the Audit and Risk Management Committee's Terms of Reference can be found on the Company's website at www.rhonema.com.

Nominating Committee

The Nominating Committee oversees matters related to the nomination of new directors for approval by the Board, annually reviews the required mix of skills, experience and other requisite qualities of Directors, as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director.

STATEMENT ON CORPORATE GOVERNANCE (Continued)

The Nominating Committee comprises three (3) members, all of whom are Independent Non-Executive Directors. The members of the Nominating Committee for 2025 are as follows:

Rahanawati Binti Ali Dawam	Chairperson
Teoh Chee Yong	Member
Martin Jeyaratnam A/L Thiagaraj	Member

Following the retirement of Martin Jeyaratnam A/L Thiagaraj on 25 February 2026, the current composition of the Nominating Committee is as follows:

Rahanawati Binti Ali Dawam	Chairperson
Teoh Chee Yong	Member
Oei Kok Eong	Member

The Nominating Committee met once (1) during the financial year ended 31 December 2025 and the meeting was attended by all members. Below is a summary of the key activities undertaken by the Nominating Committee in discharge of its duties:

(i) Annual assessment of the Board, the Board Committees and the individual Directors;

(ii) Reviewed the performance and term of office of the Audit and Risk Management Committee and each of its members;

(iii) Reviewed the composition of the Board of Directors;

(iv) Reviewed and nominated to the Board the re-election and retirement by rotation of Directors;

(v) Reviewed the Directors' Assessment Policy;

(vi) Assessed the training needs of the Directors; and

(vii) Reviewed and recommended to the Board for approval of the revised Terms of Reference of the Nominating Committee and Directors' Fit and Proper Policy to be in line with the amendments to the MMLR in relation to conflict of interest and other areas.

A copy of the Nominating Committee's Terms of Reference can be found on the Company's website at www.rhonema.com.

Remuneration Committee

The Remuneration Committee is responsible for recommending to the Board the remuneration principles and framework for members of the Board and Senior Management.

STATEMENT ON CORPORATE GOVERNANCE (Continued)

The Remuneration Committee comprises three (3) members, all of whom are Independent Non-Executive Directors. The members of the Remuneration Committee for 2025 are as follows:

Martin Jeyaratnam A/L Thiagaraj	Chairman
Rahanawati Binti Ali Dawam	Member
Teoh Chee Yong	Member

Following the retirement of Martin Jeyaratnam A/L Thiagaraj on 25 February 2026, the current composition of the Remuneration Committee is as follows:

Oei Kok Eong	Chairman
Rahanawati Binti Ali Dawam	Member
Teoh Chee Yong	Member

The Remuneration Committee met once (1) during the financial year ended 31 December 2025 and the meeting was attended by all members. Below is a summary of the key activities undertaken by the Remuneration Committee in discharge of its duties:

(i) Reviewed, assessed and recommended the remuneration packages of the Group Managing Director, the Executive Director and Senior Management;

(ii) Reviewed the remuneration packages of Non-Executive Directors and their meeting allowances; and

(iii) Reviewed the Terms of Reference of the Remuneration Committee and Directors and Senior Management's Remuneration Policy.

A copy of the Remuneration Committee's Terms of Reference can be found on the Company's website at www.rhonema.com.

7. Board Charter

The Company has established a Board Charter to promote high standards of corporate governance and the Board Charter is designed to provide guidance and clarity for Directors and Management with regard to the role of the Board and its Committees. The Board Charter clearly sets out the key values and principles of the Company and further sets out the duties and responsibilities of the Board, the Chairman, the Group Managing Director, the Senior Independent Director and the Board Committees. The Board Charter also provides structure guidance and ethical standards for the Board in discharging its duties towards the Group as well as its operating practices. The Board Charter further entails the following issues and decisions reserved for the Board:

- Conflict of interest and potential conflict of interest issues relating to substantial shareholders, a Director and/or key senior management, including approving of related party transactions
- Material acquisition and disposal of assets not in the ordinary course of business, including significant capital expenditures
- Strategic investments, mergers and acquisitions and corporate exercises
- Authority levels
- Treasury policies
- Risk management policies
- Key human resource issues

STATEMENT ON CORPORATE GOVERNANCE (Continued)

The Board Charter is reviewed annually by the Board to keep abreast with the new changes in legislations and best practices, and remains effective and relevant to the Board's objectives.

A copy of the Board Charter can be found on the Company's website at www.rhonema.com.

Besides that, the Company has also put in place the following policies:

- Code of Conduct
- Code of Ethics
- Conflict of Interest Policy
- Corporate Disclosure Policies
- Diversity Policy
- Directors and Senior Management's Remuneration Policy
- Directors' Assessment Policy
- Directors' Fit and Proper Policy
- External Auditors' Assessment Policy
- Investor Relations Policy
- Insider Dealing Policy
- Related Party Transaction Policy and Procedures
- Risk Management Framework
- Sustainability Policy
- Succession Planning Policy
- Whistle Blowing Policies and Procedures
- Anti-Bribery and Anti-Corruption Policy and Procedure

8. Code of Conduct and Code of Ethics

The Company has established a Code of Conduct and a Code of Ethics to promote a corporate culture which engenders ethical conduct that permeates throughout the Group. The Code of Conduct is based on principles in relation to trust, integrity, responsibility, excellence, loyalty, commitment, dedication, discipline, diligence and professionalism, whereas the Code of Ethics is based on the principles in relation to integrity, transparency, accountability and corporate social responsibility.

The Group practices the relevant principles and values in its dealings with employees, customers, suppliers and business associates. The Directors, officers and employees of the Group are also required to observe, uphold and maintain high standards of integrity in carrying out their roles and responsibilities and to comply with the relevant laws and regulations as well as the Group's policies. Ongoing training is provided to staff on the Code of Conduct, Code of Ethics and general workplace behaviour to ensure they continuously uphold a high standard of conduct when performing their duties.

The Board is provided with guidance on the disclosure of conflict of interest and potential conflict of interest and other disclosure requirements to ensure that the Directors comply with the relevant regulations and practices. In order to address and manage conflict of interest situation that arose, persist or may arise between Directors' interests and those of the Group, the Company has put in place appropriate procedures including requiring such Directors to abstain or recuse themselves from participating in deliberations during meetings and abstaining from voting on any matter in which they may also be interested or conflicted. The Directors of the Group are also required to disclose and confirm their directorships and shareholdings in the Group and any other entities where they have interest for the Company's monitoring on a half yearly basis or as and when required.

STATEMENT ON CORPORATE GOVERNANCE (Continued)

Notices on the closed period for trading in the Company's shares are sent to Directors and principal officers on a quarterly basis specifying the timeframe during which they are prohibited from dealing in the Company's shares, unless they comply with the procedures for dealings during closed period as stipulated in the MMLR.

The Code of Conduct and the Code of Ethics can be found on the Company's website at www.rhonema.com.

9. Whistle Blowing Policies and Procedures

The Group has adopted a set of whistle blowing policies and procedures as the Board believes that a sound whistle blowing system will strengthen and support good management and at the same time, demonstrates accountability, good risk management and sound corporate governance practices. The system is to encourage reporting of any major concerns over any wrongdoings within the Group.

The whistle blowing system outlines the relevant procedures such as when, how and to whom a concern may be properly raised about genuinely suspected instances of wrongdoing at the Company and its subsidiaries. The identity of the whistle blower is kept confidential and protection is accorded to the whistle blower against any form of reprisal or retaliation. All such concerns shall be set forth in writing and forwarded in a sealed envelope to either the Chairman of the Board or the members of the Audit and Risk Management Committee.

The whistle blowing policies and procedures can be found on the Company's website at www.rhonema.com.

10. Company Secretary

The Board is assisted by qualified and competent Company Secretaries who play a vital role in advising the Board in relation to the Group's constitution, policies, procedures and compliance with the relevant regulatory requirements, codes, guidance and legislations. Both of the Company Secretaries are Fellow members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and have obtained the Practicing Certificates from the Companies Commission of Malaysia ("CCM"). All the Directors have unrestricted access to the advice and services of the Company Secretaries for the purpose of the conduct of the Board's affairs and businesses.

The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through attendance at relevant conferences and training programmes. They have also attended the relevant continuous professional development programmes as required by the CCM and MAICSA. The Board is satisfied with the performance and support rendered by the Company Secretaries in discharging its functions.

In addition, the Company Secretaries are also accountable to the Board and are responsible for the following:

(i) Advising the Board on its roles and responsibilities;

(ii) Advising the Board on matters related to corporate governance and the MMLR;

(iii) Ensuring that Board procedures and applicable rules are observed;

(iv) Maintaining records of the Board and ensuring effective management of the Company's statutory records;

(v) Preparing comprehensive minutes to document Board proceedings and ensuring conclusions are accurately recorded;

(vi) Assisting communications between the Board and Management;

STATEMENT ON CORPORATE GOVERNANCE (Continued)

(vii) Providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time; and

(viii) Preparing agendas and co-coordinating the preparation of Board papers.

11. Sustainability

The Company acknowledge the importance of sustainability relating to ESG including their risks and opportunities to/for the Group. The Company continuously and constantly monitors the targets and performances of the ESG; and if necessary, communicate to all the stakeholders of the Group regardless internally or externally.

Sustainability Working Group assisted the Board in discharging the duties relating to ESG. Detailed information pertaining to the sustainability of the Group can be found in the Sustainability Statement issued together with the Annual Report 2025 which is available on Bursa Securities and the Company's website at www.rhonema.com.

II. Board Composition

1. Composition and Diversity

The Directors are of the opinion that the current Board size and composition is adequate for facilitating effective decision making given the scope and nature of the Group's businesses and operations. The Board maintains an appropriate balance of expertise, skills and attributes among the Directors which is reflected in the diversity of backgrounds and competencies of the Directors. Such competencies include finance, accounting, legal, digital and other relevant industry knowledge, entrepreneurial and management experience and familiarity with regulatory requirements and risk management.

As at the date of this Statement, the Board consists of one (1) Independent Non-Executive Chairman, three (3) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director, one (1) Group Managing Director and one (1) Executive Director, wherein at least half of the Board comprises Independent Directors. The composition of the Board ensures that the Independent Non-Executive Directors will be able to exercise independent judgment on the affairs of the Company.

The Board of Directors' profile can be found on pages 10 to 16 of this Annual Report.

2. Independence of Independent Directors

The Board is aware that the tenure of an independent director should not exceed a cumulative term of nine (9) years as recommended in the MCCG and twelve (12) years as mandated under Anti-Money Laundering Regulations. An independent director may continue to serve the Board if the independent director is re-designated as a non-independent non-executive director upon completion of nine (9) years tenure. If the Board intends to retain the Director as an independent director after the Director has served a cumulative term of nine (9) years, the Board must justify the decision and seeks shareholders' approval at a general meeting through a two-tier voting process as prescribed under the MCCG.

The tenure of the Independent Non-Executive Chairman and two (2) Independent Non-Executive Directors of the Company, namely Dato' Hamzah Bin Mohd Salleh, Teoh Chee Yong and Rahanawati Binti Ali Dawam, have exceeded a cumulative term of more than nine (9) years as prescribed by Practice 5.3 of the MCCG. The Nominating Committee and our Board, after having assessed their independence, consider them to be independent and recommend them for shareholders' approval on the retention of their independent status at the forthcoming Annual General Meeting ("AGM") of the Company through a two-tier voting process.

STATEMENT ON CORPORATE GOVERNANCE (Continued)

The Independent Directors play a crucial role in corporate accountability and provide unbiased views and impartiality to the Board's deliberations and decision-making process. In addition, the Independent Directors ensure that matters and issues brought to the Board are given due consideration, fully discussed and examined, taking into account the interest of all stakeholders. The Board, via the Nominating Committee assesses each Director's independence annually to ensure on-going compliance with this requirement. The Nominating Committee is satisfied that the Independent Directors are independent of Management and free from any business or other relationships which could interfere with the exercise of independent judgement, objectivity and the ability to act in the best interest of the Company.

3. Appointment of Board and Senior Management

The Board of Directors comprise of a collective of individuals having an extensive complementary knowledge and competencies, as well as expertise to make an active, informed and positive contribution to the management of the Group in terms of the business' strategic direction and development. The appointment of the Board and its Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

The Directors' Fit and Proper Policy of the Company serves as a guide to the Nominating Committee and the Board in conducting the assessment on potential candidates to be appointed as Directors and/or existing Directors seeking re-election and to ensure that all Directors possess the right blend of qualification, expertise, track record, character, integrity and time commitment to effectively discharge their roles and responsibilities as Directors of the Company.

The Nominating Committee will assess the suitability of the candidates before formally considering and recommending them for appointment to the Board or senior management. In proposing its recommendation, the Nominating Committee will consider and evaluate the candidates' required skills, knowledge, expertise, competence, experience, characteristics, professionalism. For appointment of Independent Directors, considerations will also be given on whether the candidates meet the requirements for independence as defined in MMLR of Bursa Securities and time commitment expected from them to attend to matters of the Company in general, including attending meetings of the Board, Board Committees and Annual General Meetings.

The Nominating Committee reviewed the completed Fit and Proper Self Declaration Form and recommended the appointment of Oei Kok Eong as an Independent Non Executive Director, in replacement of Martin Jeyaratnam A/L Thiagaraj, who resigned on 25 February 2026 upon his retirement. Oei Kok Eong was subsequently appointed to the Board on the same date.

4. Gender Diversity

The Board of Directors acknowledges the need to promote gender diversity within its composition and endeavour to increase female participation in the Board and Senior Management, it has decided not to set any specific targets as the Board believes that it is more important to have the right mix and skills for such positions. With the presence of Dr Yip Lai Siong and Rahanawati Binti Ali Dawam as Non Independent Non Executive Director and Independent Non Executive Director respectively, female representation currently stands at 28.6%, contributing meaningfully to the Board's oversight and the Group's overall development.

The Company has adopted a diversity policy which outlines its approach to achieving and maintaining diversity (including gender diversity) on its Board and in Senior Management positions. This includes requirements for the Board to establish measurable objectives for achieving diversity on the Board and in management positions, and for the appropriate Board Committees to monitor the implementation of the policy, assess the effectiveness of the Board nomination process and the appointment process for management positions at achieving the objectives of the policy.

STATEMENT ON CORPORATE GOVERNANCE (Continued)

5. Identifying Suitable Candidates

Any proposed appointment of a new member to the Board will be deliberated by the full Board based upon a formal report, prepared by the Nominating Committee on the necessity for reviewing the qualifications and experience of the proposed director. The Nominating Committee will be guided by an internal policy on criteria and skill sets in assessing the suitability of the potential candidates for appointment to the Board. Any appointment of a new Director to the Board or Board Committee is recommended by the Nominating Committee for consideration and approval by the Board.

6. Chairman of the Nominating Committee

The Nominating Committee is led by Rahanawati Binti Ali Dawam, an Independent Director. She directs the Nominating Committee in reviewing succession planning and appointment of Board members and Senior Management by conducting annual review of board effectiveness and skill assessments. This provides the Nominating Committee with information concerning the Group's needs, allowing it to source for suitable candidates when the need arises.

7. Annual Evaluation

The Nominating Committee is responsible in evaluating the performance and effectiveness of the entire Board, the Board Committees and individual Director on a yearly basis. The evaluation process is led by the Nominating Committee and supported by the Company Secretary via questionnaires. The Nominating Committee reviews the outcome of the evaluation and recommends to the Board any areas for further improvement.

On 25 February 2026, the Nominating Committee assessed the effectiveness of the Board, its Committees and the contribution of each Director by identifying the strengths and weaknesses of the Board.

The assessment criteria used in the assessment of Board and individual Directors include mix of skills, knowledge, Board diversity, size and experience of the Board, core competencies and contribution of each Director. The Board Committees were assessed based on their roles and responsibilities, scope and knowledge, frequency and length of meetings, supply of sufficient and timely information to the Board and also overall effectiveness and efficiency in discharging their function.

The results and recommendations from the evaluation of the Board and Committees were reported to the Board for consideration and action. The Board was comfortable with the outcome and is of the view that the skills and experience of the current Directors satisfy the requirements of the skills matrix.

The Nominating Committee also recommends to the Board, the relevant Directors retiring by rotation and standing for re-election at Annual General Meetings based on the assessment conducted on whether the director concerned has the (i) character and integrity; (ii) experience and competence; (iii) time and commitment in accordance with the Directors' Fit and Proper Policy. The Directors who will be retiring by rotation and subject to re-election at the forthcoming Annual General Meeting are Dr Lim Ban Keong and Foong Kam Weng.

STATEMENT ON CORPORATE GOVERNANCE (Continued)

III. Remuneration

The objective of the Group's remuneration policy is to provide fair and competitive remuneration to its Board members and Senior Management in order for the Group to attract and retain human resources of calibre to run the Group successfully. The responsibilities for developing the remuneration policy and determining the remuneration packages of Directors, Group Managing Director and Senior Management lie with the Remuneration Committee. Nevertheless, it is ultimately the responsibility of the Board to approve the remuneration of Directors, Group Managing Director and Senior Management.

Based on the remuneration framework, the remuneration packages of the Group Managing Director, the Executive Director and Senior Management comprised of a fixed component (i.e. salary, allowances etc.) and a variable component (i.e. bonus, incentives, benefit-in kind etc.) which is determined by the Group's overall financial performance in each financial year. The remuneration packages are designed to support our strategy and provide a balance between motivating and challenging our Group Managing Director, Executive Director and Senior Management to deliver strong performances in driving the long-term sustainable success of the Group.

The level of remuneration of Non-Executive Directors reflects their experience and level of responsibility undertaken. Non-Executive Directors will receive a fixed fee, with additional fees if they are Board Chairman or members of Board Committees. The fees for Directors are determined by the Board with the approval from shareholders at Annual General Meetings and no Director is involved in deciding his/her own remuneration.

During the financial year under review, the Remuneration Committee had reviewed the remuneration packages for the Directors, Group Managing Director and Senior Management which reflect their level of responsibilities as well as the performance of the Group, and considered the remuneration packages to be comparable with the industry norm.

The details of the remuneration of the Directors of the Company comprising remuneration received/receivable from the Company and the Group for the financial year 2025 can be obtained on Note 31 to the Financial Statements.

A copy of the Directors and Senior Management's Remuneration Policy can be found on the Company's website at www.rhonema.com.

EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Management Committee

Presently, the Audit and Risk Management Committee consists of three (3) Independent Non-Executive Directors. The members of the Audit and Risk Management Committee are as follows:

Teoh Chee Yong	Chairman
Rahanawati Binti Ali Dawam	Member
Oei Kok Eong	Member

The Chairman of the Audit and Risk Management Committee is not the Chairman of the Board, ensuring that the impairment of objectivity on the Board's review of the findings and recommendation of the Audit and Risk Management Committee remains intact.

STATEMENT ON CORPORATE GOVERNANCE (Continued)

In presenting the annual audited financial statements and interim financial statements on a quarterly basis to the shareholders, the Board is responsible to present a clear, balanced and understandable assessment of the Group's performance and position. The Audit and Risk Management Committee is entrusted to provide assistance to the Board in reviewing the Group's financial reporting process, accuracy of its financial results, and scrutinising information for disclosure to ensure accuracy, adequacy, completeness and compliance with accounting standards.

The Board places great emphasis on the objectivity and independence of the external auditors. Through the Audit and Risk Management Committee, the Board maintains a transparent relationship with the external auditors in ensuring compliance with the appropriate accounting standards. The Audit and Risk Management Committee is empowered to communicate directly with the external auditors to highlight any issues of concern at any point in time.

The external auditors would meet the Audit and Risk Management Committee without the presence of the executive Board members and Management at least two (2) times a year on matters relating to the Group and its audit activities. During such meetings, the external auditors highlight and discuss the nature and scope of the audit, audit programmes, understanding of internal controls relevant to the audit and any other issues that may require the attention of the Audit and Risk Management Committee or the Board.

The Audit and Risk Management Committee ensures the external audit function is independent of the activities it audits and reviews the contracts for the provision of non-audit services by the external auditors in order to make sure that it does not give rise to conflict of interests. The excluded contracts would include management consulting, internal audit and standard operating policies and procedures documentation.

For the financial year ended 31 December 2025, fees paid to the external auditors, Messrs BDO PLT and its affiliated firms by the Company and the Group are stated in the table below:

Nature of Services	Company RM	Group RM
Audit	69,000	302,000
Non-Audit		
- Tax filing	2,600	66,600
- Review of the Statement on Risk Management and Internal Control	5,000	5,000
- Review of other information	10,000	10,000
Total	**86,600**	**383,600**

In safeguarding and supporting the external auditors' independence and objectivity, the Board had established an External Auditors' Assessment Policy to spell out the selection process of new external auditors, basic principles on the prohibition of non-audits services and the approval process for the provision of non-audit services. An annual assessment on the external auditors was conducted during the financial year 2025 in accordance with the criteria set out in the External Auditors' Assessment Policy of the Company. The Audit and Risk Management Committee was satisfied with the performance of the external auditors and has recommended to the Board to put forth the proposal for the re-appointment of Messrs BDO PLT as external auditors of the Company for the financial year 2026 to the shareholders for approval at the upcoming Annual General Meeting.

The external auditors have confirmed to the Audit and Risk Management Committee that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

STATEMENT ON CORPORATE GOVERNANCE (Continued)

Further information on the roles and responsibilities of the Audit and Risk Management Committee may be found in the Report on the Audit and Risk Management Committee of this Annual Report.

II. Risk Management and Internal Control Framework

The Board assumes ultimate responsibility for the effective management of risk across the Group, determining its risk appetite as well as ensuring that each business area implements appropriate internal controls. In order to achieve such an objective, a risk management framework has been adopted by the Group. The Group's risk management systems are designed to manage and eliminate risks where possible, to achieve business objectives and can only provide a reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated its responsibility for reviewing the effectiveness of the Group's systems of internal control to the Audit and Risk Management Committee. This covers all material controls including financial, operational, compliance and risk management systems. The Audit and Risk Management Committee is further supported by an internal audit function.

Our Group had outsourced the internal audit function to an independent third party service provider, Kalis & Co., which has eleven (11) internal audit personnel assisting the person responsible for the internal audit. The internal auditors report directly to the Audit and Risk Management Committee and carries out its function in accordance with the annual internal audit plan approved by the Audit and Risk Management Committee.

Details of the person responsible for the Group's internal audit are set out below:

Person responsible	Kaliswaran Sinniah
Qualification	• Chartered Accountant of the Malaysian Institute of Accountants • Certified Public Accountant of the Malaysian Institute of Certified Public Accountants
Independence	Does not have any family relationship with any director and/or major shareholder of the Company
Public sanction or penalty	Has no convictions for any offences within the past five (5) years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year

Further information may be found in the Statement on Risk Management and Internal Control of this Annual Report.

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

The Board believes that stakeholders' communication is an essential requirement of the Group's sustainability. In view thereof, stakeholders are informed of all material business events of the Group in a factual, timely and widely available manner. The Board has formalised a corporate disclosure policy and procedure not only to comply with the discourse requirements as stipulated in the MMLR, but also sets out the persons authorised and responsible to approve and disclose material information to all stakeholders.

STATEMENT ON CORPORATE GOVERNANCE (Continued)

The Group has set up an investor relations program to facilitate effective two-way communication with investors and analysts to provide a greater understanding of the Group's vision, strategies, developments and financial prospects. A variety of engagement initiatives including direct meetings and dialogues with stakeholders are constantly conducted to allow the Group to learn about stakeholders' needs.

The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report and other corporate announcements to Bursa Securities. It is the Group's practice that any material information for public announcements are factual and reviewed internally before issuance to ensure accuracy and is expressed in a clear and objective manner.

The Company's corporate website includes a dedicated Investor Relations section which provides all relevant information on the Group, including announcements to Bursa Securities, share price information, as well as the corporate and governance structure of the Group. Stakeholders are also able to subscribe to email alerts from the Group via the Investor Relation page.

II. Conduct of General Meetings

The Annual General Meeting is the principal forum for dialogue with shareholders, allowing shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. To ensure shareholders have sufficient time to go through the Annual Report, it is circulated at least twenty eight (28) clear days before the date of the Annual General Meeting. Shareholders are encouraged to vote on the proposed motions by appointing a proxy in the event they are unable to attend the meeting.

During the Annual General Meeting, shareholders are provided with information on the Group's performance and major activities which were carried out during the financial year. The Board also encourages participation from shareholders by having a question and answer session during the Annual General Meeting during which the Directors are available to provide meaningful response to questions raised by the shareholders.

In line with the MMLR, the Company has implemented and will continue to implement poll voting for all proposed resolutions set out in the notice of any general meeting. An independent scrutineer will also be appointed to validate the votes cast at any general meeting of the Company.

STATEMENT ON CORPORATE GOVERNANCE (Continued)

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

The status of the utilisation of raised proceeds of RM13,457,620 from the Company's private placement of 20,086,000 ordinary shares ("Private Placement") as at 31 December 2025 is as follows:

Details of the utilisation of proceeds	Revised estimated timeframe for utilisation	Initial proposed utilisation RM'000	Proposed utilisation after deviation and variation[3] RM'000	Actual utilisation RM'000	Balance unutilised RM'000
Establishment of a milk processing plant	Within 48 months[2]	7,500	3,782	(3,782)	-
Marketing expenses	Within 48 months[2]	2,500	-	-	-
Working capital	Note (3)	3,008	9,268[1]	(9,268)	-
Estimated expenses for the Private Placement	Within 1 month	450	408[1]	(408)	-
Total		**13,458**	**13,458**	**(13,458)**	**-**

Notes:

1 *The actual expenses incurred for the Private Placement were less than the estimated expenses by approximately RM0.04 million due mainly to lower than expected incidental charges incurred in conjunction with the Private Placement. The surplus of funds for the payment of expenses for the Private Placement were adjusted to the amount allocated for working capital.*

2 *The Board has resolved to extend the timeframe for the utilisation of proceeds allocated for the establishment of a milk processing plant and marketing expenses for an additional 12 months from 36 months to 48 months in accordance with the Company's announcement dated 19 February 2025.*

3 *The Board has resolved to vary and reallocate the remaining unutilised proceeds earmarked for the establishment of a milk processing plant and marketing expenses to working capital. The proceeds should be utilised within 3 months from 18 November 2025 in accordance with the Company's announcement dated 18 November 2025.*

STATEMENT ON CORPORATE GOVERNANCE (Continued)

2. Material Contracts

There were no material contracts entered into by the Group during the financial year ended 31 December 2025 that involved the interests of the Directors and major shareholders.

3. Contracts Relating to Loans

There were no contracts relating to loans entered into by the Group during the financial year ended 31 December 2025 that involved the interests of Directors and major shareholders.

4. Recurrent Related Party Transactions

Details of the recurrent related party transactions undertaken by the Group during the financial year ended 31 December 2025 are disclosed in the Note 31 to the Financial Statements.

5. Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A of the MMLR, 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

Total Income	Group	
	2025 RM	2024 RM
Revenue	223,683,917	211,405,030
Other income	21,324	839,950
Share of result of a joint venture	(1,114,476)	(95,613)
Total	**222,590,765**	**212,149,367**
Total Assets	**258,486,850**	**225,236,954**

(B) Business Activities

Shariah Non-Compliant Activities	Group	
	2025 RM	2024 RM
Animal products for dogs	25,662,618	24,007,034
Animal products for swine	20,545,375	13,569,042
Total	**46,207,993**	**37,576,076**

STATEMENT ON CORPORATE GOVERNANCE (Continued)

(C) Component of Financial Position

(i) Cash Component

Islamic Accounts	Group	
	2025 RM	2024 RM
Cash at bank	-	527,845
Cash in hand	15,684	19,864
Total	**15,684**	**547,709**

Conventional Accounts	Group	
	2025 RM	2024 RM
Cash at bank	45,036,880	25,518,074
Deposit with licensed banks	569,882	555,754
Short term funds	292,651	282,845
Total	**45,899,413**	**26,356,673**

(ii) Debt Component

Islamic Financing	Group	
	2025 RM	2024 RM
Current Bank overdraft	907,155	-
Total	**907,155**	**-**

Conventional Borrowings	Group	
	2025 RM	2024 RM
Current Term loans	3,449,640	3,665,240
Non-Current Term loans	15,664,742	19,210,255
Total	**19,114,382**	**22,875,495**

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance requires the Board of Directors to establish and maintain a sound risk management and internal control system to safeguard shareholders' investments and the Group's assets. Guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers, the Board is pleased to present this Statement on Risk Management and Internal Control of the Group pursuant to the Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

BOARD RESPONSIBILITY

The Board of Directors recognises the importance of sound risk management and internal control practices to good corporate governance. The Board affirms its overall responsibility for the Group's risk management and internal control system which is fundamental to managing the principal risks which may impede the achievement of the Group's business and corporate objectives. This responsibility includes reviewing the adequacy and integrity of the system.

The Board however recognises that, due to inherent limitations in any internal control system, such system is designed to manage rather than eliminate risks that may impede the achievement of the Group's business and corporate objectives. In this regard, the systems and procedures put in place are aimed at minimising and managing risks. All aspects of financial, organisational, operational, compliance controls as well as risk management procedures are contained within this system of risk management and internal control and are benchmarked against risk governance best practices.

RISK MANAGEMENT

The Board understands that all areas of the Group's activities involve some degree of risk and recognises that business decisions involve the taking of appropriate risks. The ultimate objective is to balance those risks with the potential returns to shareholders. The Board is assisted by the Audit and Risk Management Committee in the oversight of the overall system of risk management of the Group.

The Group embraces risk management as a foundation of its business operations. It employs a risk management framework which sets out the Group's risk principles and strategies established to drive strong risk culture and consistent risk management practices across the Group. The risk management framework, policies, systems and processes are incessantly reviewed, refined and established to proactively manage risks to ensure that the Group's risk profile remains conservative and aligned to its risk appetite.

With its commitment to strong risk governance and implementation of sound risk management principles and best practices, the Group has been able to sustain its profitability without compromising on its asset quality. The Group has been practicing prudent trading practices and implementing risk initiatives to enhance the Group's vigilance and resilience to the risks faced by the Group.

The Management team led by the Group Managing Director also play an important role in the implementation of the Board's policies and procedures on risk management by identifying and assessing risks, making recommendations on how to manage, control and mitigate such risks, and continuously monitoring and reviewing the risks and its impact on the Group's operations.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

KEY RISK FACTORS

For the financial year under review, we have identified a number of key risks for the Group. These were presented to the Board where internal controls and risk mitigation strategies were highlighted. The table below shows some examples of the key risks deliberated.

Key risks	Description	Strategic response
Foreign currency fluctuations	The majority of our purchases are transacted in foreign currencies. Any unfavourable fluctuations in foreign exchange rates may have an adverse impact on our financial performance and profitability.	We will continuously monitor the foreign currency fluctuations and enter into foreign exchange spot contracts to hedge against the foreign currency fluctuation risk, as and when necessary.
Credit risk and default in payment by customers	Our customers have varying degrees of credit risk profiles which exposes us to the risk of non-payment by them. In the event of default in payment, our operating cash flows, financial condition and results of operations could be materially and adversely affected.	We mitigate this by putting in place credit management policies in our Group through the application of credit approval, credit limit and monitoring procedures on an on-going basis.

INTERNAL AUDIT FUNCTION

The Group has outsourced the internal audit function to a professional service firm which is independent of the activities and operations of the Group to review the adequacy of the internal control system of the Group. The outsourced internal auditors, which report directly to the Audit and Risk Management Committee, conducted internal control assessment on the Group in order to identify potential areas with weak internal controls, non-compliance of policies and procedures and/or unsound business practices. The internal auditors prepare audit plans for presentation to the Audit and Risk Management Committee for approval wherein the scope of work encompasses management and operational audit of functions within the Group.

During the financial year, internal audit was performed on the following functions:

(i) Compliance with the Guidelines on Adequate Procedures in pursuant to provisions under Section 17(A)(5) of the Malaysian Anti-Corruption Commission Act 2009;
(ii) Sustainability Statement review;
(iii) Safety and health;
(iv) Human resources;
(v) Annual inventory count; and
(vi) Inventory management.

Upon the completion of their review, the internal auditors presented their findings to the Audit and Risk Management Committee during quarterly meetings where the findings, recommendations, as well as Management's responses and action plans were deliberated.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

KEY ELEMENTS OF INTERNAL CONTROL

The key elements of the Group's internal control system include, among others, the following:

- Defined organisation structure with proper segregation of duties, responsibilities and authorities among the Directors, Management and employees;
- The Board had delegated certain of its responsibilities to the Audit and Risk Management Committee, Nominating Committee and Remuneration Committee which undertake their duties and responsibilities in accordance to their delegated functions as set out in their respective terms of reference;
- Formalised Code of Conduct and Code of Ethics that set forth the standards by which the Group conducts its operations and Whistle-blower Policy that provides a channel for raising genuine concerns about possible improprieties or wrongdoing involving the Group or its Directors or employees;
- Standardised staff recruitment process and performance appraisal system, as well as structured training and development programs are in place to achieve the objective of ensuring staff are competent to carry out their duties and responsibilities;
- The Board and the Audit and Risk Management Committee meet on a quarterly basis to review the Group's performance and financial results and on an ad-hoc basis where the need arise to discuss matters raised by the Management; and
- Standard operating procedures which include policies and procedures within the Group are continuously reviewed and updated.

CONCLUSION

For the financial year under review, after due and careful assessment and based on information and assurances provided by the Group Managing Director and Group Finance Director, the Board is satisfied that the Group's system of risk management and internal control was operating adequately and effectively in all material respects throughout the financial year and up to the date of approval of this Statement by the Board for inclusion in the Annual Report. Measures are in place and continually being taken to ensure the ongoing adequacy and effectiveness of internal controls to safeguard shareholders' investments and the Group's assets.

There were no material losses, contingencies or uncertainties as a result of weaknesses in the risk management and internal control system that would require separate disclosures in this Annual Report. Nevertheless, the Board will continue to assess the adequacy and effectiveness of the Group's risk management and internal control system and to strengthen it, as and when required.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management and Internal Control. As set out in their terms of engagement, the procedures were performed in accordance with Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report ("AAPG3") issued by the Malaysian Institute of Accountants. AAPG3 does not require the external auditors to consider whether the Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the risk management system and internal control processes of the Group. AAPG3 also does not require the external auditors to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report would, in fact, remedy the problems. Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared in all material respects, in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies, nor is it factually inaccurate.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board of Directors on 14 April 2026.

REPORT ON THE AUDIT AND RISK MANAGEMENT COMMITTEE

COMPOSITION

The Audit and Risk Management Committee is established by the Board and comprises three (3) members, all of whom are independent non-executive directors. Mr Teoh Chee Yong, the Chairman of the Audit and Risk Management Committee is a Chartered Accountant of the Malaysian Institute of Accountants. Hence, the Company has complied with Paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and Step-Up Practice 9.4 of Malaysian Code on Corporate Governance. The Chairman of the Audit and Risk Management Committee is not the chairman of the Board and this is in line with Practice 1.4 of the Malaysian Code on Corporate Governance. No alternate director is appointed as a member of the Committee.

Following the retirement of Mr Martin Jeyaratnam A/L Thiagaraj on 25 February 2026, and the subsequent appointment of Mr Oei Kok Eong on the same date, the composition of the Committee is as follows:

Directors	Designation
Teoh Chee Yong	Chairman
Rahanawati Binti Ali Dawam	Member
Oei Kok Eong	Member

TERM OF OFFICE AND PERFORMANCE

In order to assess the term of office of the Audit and Risk Management Committee members and performance of the Audit and Risk Management Committee in accordance with the Listing Requirements, each of the Audit and Risk Management Committee members has performed the self and peer evaluation assessment and the results were tabled to the Nominating Committee for review and discussion. The Nominating Committee was satisfied with the performance of the Audit and Risk Management Committee and confirmed that they have carried out their duties and responsibilities effectively in accordance with the Terms of Reference.

MEETINGS OF THE COMMITTEE

The Audit and Risk Management Committee shall meet at least four (4) times a year and such additional meetings as the Chairman shall decide in order to fulfil its duties. However, at least twice a year, the Committee shall meet with the external auditors and internal auditors without the presence of executive Board members and Management.

In addition, the Chairman may call a meeting of the Audit and Risk Management Committee if a request is made by any Committee member or the internal/external auditors.

The Company Secretary or other appropriate senior officer shall act as secretary of the Audit and Risk Management Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to Committee members prior to each meeting.

The secretary shall be responsible for keeping the minutes of meetings of the Audit and Risk Management Committee, and circulating them to Committee members and to the other members of the Board.

A quorum shall consist of a majority of independent directors.

REPORT ON THE AUDIT AND RISK MANAGEMENT COMMITTEE (Continued)

The other Directors and employees may attend any Audit and Risk Management Committee meeting upon invitation of the Committee.

The Committee members may participate in a meeting by means of telephone conference, video conference or other communications equipment of which all persons participating in the meeting can communicate with each other. Such participation in a meeting shall constitute presence in person at such meeting.

A total of five (5) meetings were held during the financial year ended 31 December 2025. The attendance of the Committee members is as follows:

Committee Members	Attendance
Teoh Chee Yong	5/5
Rahanawati Binti Ali Dawam	5/5
Martin Jeyaratnam A/L Thiagaraj *Resigned on 25 February 2026*	5/5

SUMMARY OF ACTIVITIES UNDERTAKEN BY THE COMMITTEE

During the year under review, the Chairman of the Audit and Risk Management Committee reports regularly to the Board on the activities carried out by the Committee in discharging its functions and duties as set out in its Charter.

The summary of activities carried out by the Committee is laid out as follows:

Financial Results

(i) Reviewed the unaudited quarterly financial statements of the Group to ensure that they are in compliance with the requirements of the relevant authorities, prior to making a recommendation to the Board for their approval and release of the Group's results to Bursa Securities;

(ii) Reviewed the annual audited financial statements of the Group and of the Company prior to making a recommendation to the Board for their consideration and approval;

(iii) Deliberation on changes in and implementation of accounting policies and practices to ensure compliance with accounting standards; and

(iv) Deliberation on significant matters highlighted in the audited financial statements including financial reporting issues, key audit matters, significant judgements made by Management, significant and unusual events or transactions and how these matters are being addressed.

External Auditors

(i) Considered the re-appointment of external auditors and their audit fees, after taking into consideration the independence and objectivity of the external auditors and the cost effectiveness of their audit through an evaluation exercise, before making a recommendation to the Board for approval;

REPORT ON THE AUDIT AND RISK MANAGEMENT COMMITTEE (Continued)

(ii) Reviewed the audit plan of the external auditors in terms of their scope of audit prior to their commencement of the annual audit;

(iii) Reviewed the external auditors' report in relation to audit and accounting issues, internal control issues and reported to the Board;

(iv) Reviewed the external auditors' management letter together with Management's responses in ensuring that appropriate actions have been taken;

(v) Met with the external auditors without the presence of the executive Board members and Management; and

(vi) Reviewed the nature for the provision of non-audit services by the external auditors' affiliates to the Group and approved the proposed engagement for such non-audit services.

Internal Auditors

(i) Reviewed and approved the Group's audit plan for adequacy of scope and comprehensive coverage of the Group's activities;

(ii) Reviewed the internal audit reports which outlined the recommendations towards correcting areas of weaknesses and ensure that there were management action plans established for the implementation of the internal auditors' recommendation;

(iii) Reviewed the effectiveness of the internal auditors through an evaluation exercise; and

(iv) Met with the internal auditors without the presence of the executive Board members and Management.

Risk Management and Internal Control

(i) Reviewed the adequacy of the Group's risk management framework;

(ii) Reviewed the effectiveness of the internal control systems through the review of the work performed by both the internal and external auditors and in discussion with the Management;

(iii) Reviewed and recommended corrective measures to mitigate risks; and

(iv) Monitored and communicated risk assessment results to the Board.

Related Party Transactions and Conflict of Interests

(i) Reviewed the related party transactions (if any) entered into by the Group to ensure that they were not detrimental to the interests of minority shareholders;

(ii) Reviewed the recurrent related party transactions entered into by the Group to ensure the transactions were fair, reasonable, on normal commercial terms, not detrimental to the interests of the minority shareholders and in the best interest of the Group; and

(iii) Reviewed if there are any conflict of interest and/or potential conflict of interest situations that arose, persist or may arise within the Group.

REPORT ON THE AUDIT AND RISK MANAGEMENT COMMITTEE (Continued)

Other Activities

(i) Reviewed and recommended to the Board for approval of the Terms of Reference and the relevant policies to ensure they are always updated with the changes in the regulatory requirements;

(ii) Reviewed and recommended the Audit and Risk Management Committee Report and Statement on Risk Management and Internal Control to the Board for approval and inclusion in the Annual Report 2025;

(iii) Reviewed if there are any complaints and/or cases received in relation to the whistle blowing policy; and

(iv) Reviewed the solvency status of the Company and recommended to the Board for approval the proposed final dividend for the financial year ended 31 December 2025.

INTERNAL AUDIT FUNCTION

The internal audit function of the Group is outsourced to an independent professional firm, which reports directly to the Audit and Risk Management Committee and assists the Board in monitoring and managing risks and internal controls. The function is designed to evaluate and enhance the risk management, controls and governance processes to assist Management in achieving its corporate goals. The total cost paid by the Group to the outsourced independent professional firm amounted to RM72,000 for the financial year ended 31 December 2025.

For the financial year under review, internal audit reviews were carried out in accordance with the approved internal audit plan which covered the adequacy and effectiveness of the operational controls in mitigating risks, compliance with established policies and procedures, authority limits and applicable laws.

The results of the reviews were formally reported to the Audit and Risk Management Committee. The internal audit reviews conducted did not reveal significant weaknesses which would result in material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

Further details of the internal audit function are set out in the Statement on Risk Management and Internal Control of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board is required by the Companies Act 2016 to present the financial statements for each financial year which have been made out in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

The Board is satisfied that in preparing the financial statements of the Group and the Company for the financial year ended 31 December 2025, the appropriate accounting policies were used and applied consistently, adopted to include new and revised Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Board is also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records which enable the financial position of the Group and the Company as at 31 December 2025 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended to be disclosed with reasonable accuracy and which enable them to ensure that the financial statements comply with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia.

The Directors have overall responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group and of the Company to prevent and detect fraud and irregularities.