



Rooted in Care, **Growing Together**



LAM SOON (M) BERHAD

Registration No.: 198201004526 (84273-H)

ANNUAL REPORT 2025

Naturel



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CORPORATE INFORMATION

BOARD OF DIRECTORS	: Whang Shang Ying <i>Executive Chairman</i> Datin Shelina binti Razaly Wahi Shamsul Bahar bin Shamsudin Datuk Maimoonah binte Mohamed Hussain Mah Kim Loong Leslie Khong Cheong Foo Lo Wye Kan (Alternate to Khong Cheong Foo)
SECRETARIES	: Thian Yew Fong <i>MAICSA 7011924</i> <i>SSM PC No.: 202008001039</i> Chong Ser Ning <i>MAICSA 7070222</i> <i>SSM PC No.: 201908000372</i>
AUDITORS	: Forvis Mazars PLT <i>Chartered Accountants</i>
SOLICITORS	: Adnan Sundra & Low
PRINCIPAL BANKERS	: CIMB Bank Berhad Malayan Banking Berhad RHB Bank Berhad
REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	: Wisma DLS, No. 6, Jalan Jurunilai U1/20, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan. Telephone : +60-(0)3-7882 2399 Fax : +60-(0)3-5569 2297 Email : lamsoonpj@lamsoon.com.my Website : www.lamsoon.com.my
SHARE REGISTRAR	: Boardroom Share Registrars Sdn. Bhd. 11 th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. Telephone : +60-(0)3-7890 4700 Fax : +60-(0)3-7890 4670

5-YEAR GROUP FINANCIAL HIGHLIGHTS

	Financial Years Ended 31 st December (RM Million)				
	2021	2022	2023	2024	2025
Revenue	3,021	3,361	2,765	3,258	3,550
Profit Before Tax	334	352	214	325	338
Profit Attributable to Owners of the Company	232	237	155	230	240
Equity Attributable to Owners of the Company	1,591	1,715	1,783	1,926	2,067
Net Tangible Assets Per Share (Sen)	740	798	829	896	962
Earnings Per Share (Sen)	108.3	110.3	72.3	107.1	112.0
Net Dividend Per Share (Sen)	50.0	40.0	40.0	45.0	60.0



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 44th Annual General Meeting of LAM SOON (M) BERHAD will be conducted entirely through live streaming from the Broadcast Venue at Meeting Room, Ground Floor, Wisma DLS, No. 6, Jalan Jurunilai U1/20, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan on Tuesday, 23 June 2026 at 2:30 p.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon.
(Please refer to Explanatory Note)
2. To approve the payment of the following dividends in respect of the financial year ended 31 December 2025:
 - 2.1 A Final Single Tier Dividend of 15.0 sen per share. **(Ordinary Resolution 1)**
 - 2.2 A Special Single Tier Dividend of 20.0 sen per share. **(Ordinary Resolution 2)**
3. To approve the payment of Directors' fees for the financial year ended 31 December 2025. **(Ordinary Resolution 3)**
4. To re-elect the following Directors who retire by rotation in accordance with Article 78 of the Constitution of the Company and being eligible, offer themselves for re-election:
 - 4.1 Yg. Bhg. Datin Shelina binti Razaly Wahi **(Ordinary Resolution 4)**
 - 4.2 Encik Shamsul Bahar bin Shamsudin **(Ordinary Resolution 5)**
5. To re-appoint Messrs. Forvis Mazars PLT as Auditors for the ensuing year and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 6)**
6. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

BY ORDER OF THE BOARD

THIAN YEW FONG (SSM PC No: 202008001039) (MAICSA 7011924)
CHONG SER NING (SSM PC No: 201908000372) (MAICSA 7070222)
Company Secretaries

Shah Alam
29 May 2026

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

NOTES:

- i) *The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the Meeting to be physically present at the main venue of the Meeting in Malaysia.*

*Shareholders/proxies **WILL NOT BE ALLOWED** to attend this 44th Annual General Meeting ("AGM") in person at the Broadcast Venue on the day of the Meeting.*

Shareholders are to attend, (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at this AGM via the Remote Participation and Electronic Voting ("RPEV") facilities provided by the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. ("Boardroom") via the Boardroom Smart Investor Portal ("BSIP") at <https://investor.boardroomlimited.com>.

- ii) *A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy instead of him. A proxy need not be a member of the Company. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.*
- iii) *The instrument appointing the proxy must be deposited at Boardroom's office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or by electronic submission via BSIP at <https://investor.boardroomlimited.com> (eProxy) not less than 24 hours before the time for holding the Meeting or any adjournment thereof.*

EXPLANATORY NOTE:

Audited Financial Statements and Reports of Directors and Auditors

The Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon laid at this Meeting pursuant to Section 340 of the Companies Act 2016 are meant for discussion only. As such, it does not require shareholders' approval and shall not be put forward for voting.

MESSAGE FROM THE EXECUTIVE CHAIRMAN

OVERVIEW:

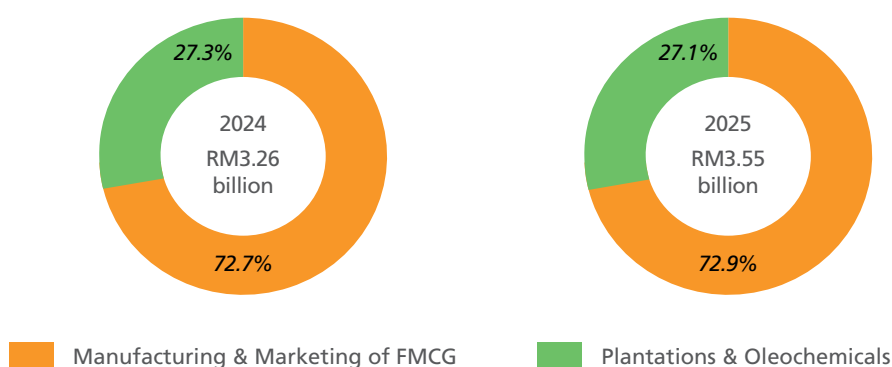
On behalf of the Board of Directors, I am pleased to present the Annual Report of LAM SOON (M) BERHAD for the financial year ended 31 December 2025.

Slower global growth and trade tensions weighed on market sentiment for much of FY2025. Against this backdrop, the upstream palm oil sector remained resilient. Demand held steady, while Indonesia's B40 biodiesel mandate tightened exportable supply and supported market conditions. Downstream operations, on the other hand, continued to face margin pressure amid global capacity expansion and structural oversupply.

Towards the end of the year, trade agreements provided more favourable terms for Malaysian palm oil. Despite the challenging environment, the industry's fundamentals remained resilient.

Group profit before tax closed at RM338.16 million (2024: RM325.24 million) while group revenue grew by 8.9% to RM3.55 billion (2024: RM3.26 billion). Stable Crude Palm Oil ("CPO") prices helped moderate cost pressures and supported organic growth in the FMCG segment. At the Company level, dividends received from subsidiaries, associates, and other investments, decreased by 15.1% to RM126.47 million (2024: RM148.93 million); resulting in lower profit before tax of RM132.86 million (2024: RM157.13 million).

REVENUE BY BUSINESS ACTIVITY



FAST MOVING CONSUMER GOODS ("FMCG")

Lam Soon Edible Oils Sdn. Bhd. ("LSEO")

In 2025, the Malaysian economy demonstrated commendable resilience with a Gross Domestic Product growth of 5.2%. This positive macroeconomic environment was bolstered by targeted government household aid, which provided a vital floor for domestic consumption. LSEO demonstrated agility in navigating the marketplace where consumers remain highly sensitive to cost inflation. As a result, its total revenue increased by 9.3% to RM2.58 billion (2024: RM2.36 billion). This, in turn, led to a higher profit before tax of RM136.98 million (2024: RM131.22 million).

Manufacturing Activities

In 2025, LSEO's Teluk Panglima Garang ("TPG") factory delivered its strongest operational performance in history. The factory successfully retained all major certifications - including ISO 9001, ISO 14001, HACCP, MS 682, Halal, MSPO, and RSPO - reaffirming its unwavering commitment to product quality, food safety, and regulatory compliance.

In terms of output, TPG achieved record growth, particularly in the cooking oil segment, driven by continuous process optimisation, efficiency enhancements, and responsiveness to growing market demand. Following the successful integration of the Automated Storage and Retrieval System, we eliminated reliance on external warehousing, improved inventory accuracy and visibility, shortened lead times, and extracted significant cost efficiencies, enabling faster and more reliable deliveries.

Conveyor extensions on Oil Packing Line 3 minimised production stoppages, while the installation of an offline shrink wrap machine for bar soap enhanced packing efficiency and reduced reliance on manpower. Additionally, upgrades to our aged Soap Line 3 servo drive extended equipment lifespan and improved reliability.

Meanwhile, LSEO's Pasir Gudang ("PSG") factory successfully upgraded several storage oil tank facilities. The enhancement works included the installation of nitrogen blanketing systems, tank agitation system, improvement of the piping network, and the implementation of dedicated piping to reduce risk of cross-contamination. In addition, internal epoxy coatings were applied to ensure suitability for food-grade applications.

These upgrades were undertaken to meet Malaysian regulatory requirements, particularly in compliance with 3-MCPD and glycidyl esters (GE) standards.

Brand Performance

Our steadfast commitment to value and affordability ensured our brands remained a preferred choice for Malaysian households in 2025. We focused our efforts across three strategic pillars:

1. Maximise Value in Core Categories of Cooking Oil and Household Personal Care

Through meticulous improvements in product formulations and an expanded range of variants, we met the diverse needs of the modern kitchen and home. Combined with aggressive brand campaigns and in-market execution across all retail channels, we significantly widened our distribution footprint, resulting in a strong gain in brand share within these competitive segments. **Cap Buruh** captured the No.1 position in the sizeable Refined Oil segment in 2025 while **Antabax** was Malaysia's fastest growing Medicated Liquid Shower brand for the last three years.

2. Brand Rejuvenation and Portfolio Expansion





In addition, we undertook a comprehensive rejuvenation of our household and personal care portfolio by identifying and filling specific consumption "voids". In this regard, our "Digital-to-Shelf" approach proved pivotal; by building awareness and adoption online, we drove high-conversion footfall into physical retail stores, attracting the omnichannel shoppers.

3. Pricing and Cost Management

Recognising the persistent headwinds of cost inflation, we actively embarked on cost savings measures across the supply chain. This allowed us to capture shoppers even as they lowered their spending on groceries.

MESSAGE FROM THE EXECUTIVE CHAIRMAN (cont'd)

With a focus on being “Local and Agile”, our marketing is leveraging data, deep consumer insights and effective communication to remain at the heart of the Malaysian home. The below accolades and awards are testament of the resilience of our brands and the trust they enjoy with our consumers.

Brands	Awards
	2025 Reader’s Digest Trusted Brand Award (Asia Award – Cooking Oil) 2025 Reader’s Digest Trusted Brand Award (Gold) 2025 Brand Laureate Award (Brand of the Year - Cooking Oil)
	2025 Reader’s Digest Trusted Brand Award (Gold) [Buruh]
	2025 Reader’s Digest Trusted Brand Award (Gold) 2025 Brand Laureate Award (Iconic Brand – Olive Oil)
	2025 Brand Laureate Award (Nation’s Choice – Medicated Personal Wash Category)

Agency Business

Agency business achieved RM1.29 billion in total sales revenue in 2025, representing a 6.4% growth year-on-year. Southern Lion, which accounts for over 80% of the Agency business, continued its strong momentum, recording 6.8% growth.

The Fabric Care segment, representing three quarters of Southern Lion’s sales, grew by 6.0%, thanks to the strong performance of Top Liquid (+16.4%). Its Beauty Care likewise delivered good results with a growth exceeding 10%, while Oral Care recorded 5.5% growth, supported by aggressive marketing activities.

Arla Foods, our dairy business, recorded 3.9% growth despite continued high dairy prices driven by lower global milk production. Growth was stronger in the retail channel (which is generally less sensitive to price increases) compared to the food service channel. The business was further supported by new product listings and expanded distribution.

Ace Canning’s performance was largely unchanged during the year. As Chinese New Year fell in January 2025 and February 2026 respectively, festive sales of beverages were split across different financial years, affecting the year-on-year comparison. Sales of dressings from Spices & Seasonings were flat for the year due to lower demand for food service packs.

In May 2025, we further strengthened our food service portfolio through the signing of a distribution agreement with GFB Food Sdn. Bhd., the company behind the Mix-Lah beverage pre-mix brand. Mix-Lah, an up-and-coming local brand, was awarded the “Emerging Star Award” at the Malaysia International Halal Showcase Awards 2025.

Supply Chain

Supply Chain Management (“SCM”) is working closely with Southern Lion to better align processes and strengthen coordination across product lines. The Group strengthened its OEM partner management through more standardised processes and improved ordering controls. The Group achieved an average of 90% of On-Time-In-Full Delivery performance to customers. Additional initiatives, including warehouse management system rollout, pallet management improvements, and warehouse consolidation, optimised our branch operations. Uniform reason codes for goods return were introduced across all regions. This, together with centralised logistics support for the Northern and East Coast operations, helped reduce trade returns.

The functions of Procurement and Commercial were successfully integrated into SCM, enhancing data visibility, decision-making, and collaboration, including oversight of New Product Development. Cost optimisation initiatives – covering reductions, avoidance, formulation improvements, alternative sourcing, and stronger negotiations – delivered total savings of RM1.8 million.

Southern Lion Sdn. Bhd. ("SLSB")

SLSB, our 50% joint venture with Lion Corporation Japan, registered a revenue of RM906.84 million, an increase of 6.6% over the previous year (2024: RM850.38 million). Stable material price and sales growth enabled its profit before tax to surge to RM86.66 million (2024: RM54.62 million).

In 2025, SLSB successfully defended its market leadership in fabric care amidst intense competition from local budget brands and ongoing price pressures. TOP, Malaysia's No. 1 detergent, further strengthened its consumer franchise with a Gold award in the Household Products category at the 2025 Putra Brand Awards. This was reinforced by a major relaunch featuring the Ultra Nano Fresh Technology, which effectively tackles persistent bad odours, yellowing whites and fading colours. Meanwhile, BioZip maintained its leadership in the mid-tier powder segment with a 71.7% market share, particularly among value-conscious consumers.

In the Oral Health Care category, Fresh & White toothpaste delivered steady growth following its relaunch in May 2025 with a stronger brand identity and clearer value proposition. The introduction in August 2025 of the Wavy Action Toothbrush in the mass price segment (below RM3), helped to broaden consumer reach and increase household penetration. Kodomo further strengthened its position as a trusted children's oral care specialist through a comprehensive relaunch. Systema continued to build on its core gum health expertise, driving growth in the premium segment through strengthened partnerships with the Malaysia Dental Association and Malaysia Society of Periodontology.

In the Beauty and Personal Care category, Shokubutsu sustained its leadership in the beauty shower gel segment. This was supported by the May 2025 launch of the Complete Moisture range. The September 2025 introduction of the Fresh Burst variant under the Natural Protection line also expanded its presence in the functional body wash segment. Emeron shampoo continued to deliver steady growth, particularly in East Malaysia, supported by its strong value proposition and loyal consumer base. Kirei-Kirei maintained its leadership in the foaming handwash segment.

PLANTATIONS & OLEOCHEMICALS

Lam Soon Plantations Sdn. Bhd. ("LSP")

LSP, at the group level, achieved revenue of RM961.44 million (2024: RM882.52 million) with profit before tax of RM149.40 million (2024: RM150.60 million).

At the company level, revenue increased to RM153.45 million (2024: RM130.97 million), driven by higher sales volumes of CPO and palm kernel. Profit before tax, however, declined to RM104.03 million (2024: RM123.60 million), mainly due to lower dividends received from DLS and POC. With replanting activities completed, the Company anticipates improved CPO production as high-yielding planting materials reach maturity, positioning LSP for stronger yield performance in the years ahead.

Dara-Lam Soon Sdn. Bhd. ("DLS")

Our 38.8% associate, DLS, reported an increase in profit before tax of 17.2% to RM73.06 million (2024: RM62.32 million), mainly driven by the higher sales volume. Contribution of net profit to the Group's results increased by 17.5% to RM21.91 million (2024: RM18.64 million). Looking ahead, profitability is expected to moderate over the near to medium term as a progressive replanting programme commences this year and extends over the next thirteen years. High-yielding planting materials will be utilised to enhance long-term productivity.

Pacific Oleochemicals Sdn. Bhd. ("POC")

In 2025, strong demand for bio-based and sustainable chemicals continued in the personal care and industrial sectors, driven by consumer preference and regulations. However, POC faced a challenging operating environment, including volatile palm kernel oil prices, US tariff pressures, intensifying competition from Indonesia, stricter European Union sustainability requirements and new capacity expansions.

As a result, shipped-out volume declined by 15.4% compared to the previous year. Nevertheless, revenue increased by 7.5% to RM803.84 million (2024: RM747.44 million), mainly due to higher average selling prices. Despite this, lower volumes and margin pressures led to a 27.4% decline in profit before tax to RM51.69 million (2024: RM71.17 million).

COMMUNITY AND SUSTAINABILITY INITIATIVES

Community and sustainability are firmly on the agenda of all companies in the Group.

LSEO:

TPG factory:

- Transitioned forklifts from lead-acid to lithium-ion batteries to reduce greenhouse gases emission.
- Installed solar panels at the canteen to reduce electricity consumption.
- Implemented complementary energy efficiency measures, such as chiller insulation alongside water stewardship programs that repurposed air-conditioning condensate and diverted discharge water for irrigation, enhancing overall resource efficiency.
- Strengthened waste management practices through recycling initiatives and supplier paper returns, demonstrating TPG's comprehensive commitment to environmental responsibility.

PSG factory:

- Energy management enhancement – completed boiler conversion from diesel to natural gas (reduction of greenhouse gases emissions through the use of 'environmentally friendlier' energy source)
- Community engagement – mangrove care initiative with 300 mangrove plantings at Tanjong Piai, Johor alongside POC.

Plantations and Oleochemicals:

In 2025, LSP and DLS both made strong progress on its sustainability goals. Both collectively achieved a significant reduction in greenhouse gas emissions through its Bioenergy Generation Plant and Green Energy Power Plant. GHG emission intensity improved sharply to 0.17 tCO₂e/tCPO, well below the 0.65 target, while fossil fuel consumption dropped 94% against an 85% target. In addition, LSP's palm oil mill in Sabah was named Best Mill (2024 – 2025) by the Sabah Department of Environment.

POC continued to strengthen its sustainability efforts across multiple fronts. These included participation in a river-cleaning initiative and the installation of a 240 kWp solar system at its manufacturing facility, which is expected to reduce carbon emissions by approximately 230 MT annually. POC also contributed to community and employee wellbeing through the donation of oxygen concentrators, a blood donation drive, and a jogathon. In addition, an Occupational Hygiene and workplace safety compliance audit was conducted in October, achieving an overall rating of 80% and reaffirming the Group's commitment to workplace safety and regulatory standards.

MESSAGE FROM THE EXECUTIVE CHAIRMAN (cont'd)

LSP's Community Learning Centre, primarily serving the children of migrant workers in our Lahad Datu estate, was recognised in 2025 by the Indonesian Consulate Director General as the Best Community Learning Centre in Sabah.



Visit by Executive Chairman to LSP estate Community Learning Centre, Lahad Datu, in April 2026.

On its part, DLS strengthened human rights practices by partnering with a social non-governmental organisation. Through the Labour Transformation Programme and Ethical Recruitment Due Diligence, it improved recruitment and protections for over 420 migrant workers. The initiative was published as a case study by Earthworm Foundation, a global non-profit organisation that works with companies, communities and governments to improve social and environmental practices in supply chains.

Headquarters:

Underscoring our dedication to education, Lam Soon continues to support initiatives that empower the next generation. They include the **TL Whang Bursary Award**, which supports the tertiary education of our employees' children, and our enduring partnership with Yayasan Tunku Abdul Rahman, which provides scholarships to nurture high-potential students.

Established by our former Managing Director and Executive Chairman, the late Mr. Whang Tar Liang, the TL Whang Bursary has supported 201 recipients and disbursed RM3.17 million in financial aid since its inception in 2017. Furthermore, we are proud to share that in 2025, this scholarship achieved its highest payout and number of recipients to date.

Lam Soon remains committed to embracing practices that promote the welfare and wellbeing of our employees, foster ethical and responsible behaviour, preserve biodiversity and conservation for the well-being of present and future generations.

PROSPECTS

In 2025, the global economy navigated an increasingly fragmented geopolitical landscape, even as economic linkages remained strong. While proposed US tariffs of over 20% raised concerns, actual measures were moderated through pauses, exemptions and ongoing negotiations. Nevertheless, persistent trade uncertainty heightened by the recent conflict in the Middle East is prompting companies to redesign supply chains for greater resilience, with implications for higher costs and slower global trade.

Malaysia enters 2026 from a position of relative strength, supported by diversified growth drivers and a resilient financial sector. The Malaysian economy expanded by 5.4% in 2026 Q1, driven mainly by domestic demand (household spending remained supported by positive labour market conditions alongside targeted policy measures). Export growth remained strong, mostly by continued expansion in Artificial Intelligence ("AI") related electrical and electronics supply chain.

Every business unit in the Lam Soon Group is continuously seeking to improve cost efficiency and productivity while maintaining its high-quality standards. As always, management adopts a prudent approach to capital expenditure, with a focus on cost discipline and digitalisation to reduce reliance on manual labour and natural resources. In a more volatile environment, the Group remains vigilant and adaptable, embracing innovation, including AI, while staying anchored to its core values and long-term strategic priorities for sustainable growth.

DIVIDENDS

During the year, your Company paid one (1) single tier interim dividend of 25.0 sen per share amounting to the total of RM53.68 million for the financial year ended 31 December 2025 (2024: 25.0 sen per share or RM53.68 million).

In view of the improved performance, your Board is proposing for shareholders' approval at the forthcoming Annual General Meeting, the payment of a final single tier dividend of 15.0 sen per share and special single tier dividend of 20.0 sen per share, amounting to RM75.15 million (2024: Final of 5.0 sen per share and special of 15 sen per share amounting to RM42.94 million)

The proposed final single tier and special single tier dividend will bring the total net dividend payments for the financial year ended 31 December 2025 to 60.0 sen per share or RM128.83 million (2024: 45.0 sen per share or RM96.62 million).

APPRECIATION

On behalf of the Board, I would like to once again thank all our customers, business partners, government agencies and shareholders for their continued support and confidence in our Group. We will continue to endeavour to live up to your aspirations and demands.

I would also like to commend my Management Team for their concerted efforts in 2025, which enabled the Group to deliver strong financial results. The dedication and commitment demonstrated by our officers, staff and employees throughout the year have been key to sustaining the Group's performance and positioning it for the challenges that lie ahead.

Whang Shang Ying
Executive Chairman

25 May 2026

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment and property holding.

The principal activities of the subsidiaries are indicated in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	266,380	130,367
Attributable to:		
Owners of the Company	240,468	130,367
Non-controlling interests	25,912	-
	266,380	130,367

DIVIDENDS

The amounts of dividends paid and declared by the Company since the end of the previous financial year were as follows:

	RM'000
In respect of the financial year ended 31 December 2024:	
- Final and special single-tier dividend of 5 sen per share and 15 sen per share respectively, paid on 6 August 2025	42,944
In respect of the financial year ended 31 December 2025:	
- First interim single-tier dividend of 25 sen per share, paid on 25 November 2025	53,680
	96,624

The directors now recommend the payment of a final single-tier dividend of 15 sen per share and a special single-tier dividend of 20 sen per share amounting to RM75,152,004 for the financial year ended 31 December 2025, subject to approval of the shareholders at the forthcoming annual general meeting of the Company. The financial statements for the current financial year do not reflect these proposed dividends. Such dividends, if approved, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

DIRECTORS' REPORT (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

ISSUE OF SHARES AND DEBENTURES

There were no issuance of shares or debentures during the financial year.

SHARE OPTIONS

No option was granted to any person to take up unissued shares of the Company during the financial year.

RESERVES AND PROVISIONS

All material transfers, if any, to or from reserves and provisions during the financial year are disclosed in the financial statements.

ULTIMATE HOLDING COMPANY

The directors regard Lam Soon Cannery Private Limited, a company incorporated in the Republic of Singapore, as the ultimate holding company.

SUBSIDIARIES

Details of the subsidiaries are set out in Note 8 to the financial statements. There is no qualified auditors' report on the financial statements of the subsidiaries for the financial year in which this report is made.

As at the end of the financial year, the subsidiaries did not hold any shares in the ultimate holding company or in other related corporations.

DIRECTORS

The directors in office during the period commencing from the beginning of the financial year to the date of this report are:

Mr. Whang Shang Ying
Y. Bhg. Datin Shelina binti Razaly Wahi
Encik Shamsul Bahar bin Shamsudin
Y. Bhg. Datuk Maimoonah binte Mohamed Hussain
Mr. Mah Kim Loong Leslie
Mr. Khong Cheong Foo
Mr. Lo Wye Kan (Alternate director to Mr. Khong Cheong Foo)

The names of the directors of the Company's subsidiaries who served on the respective board of the subsidiaries since the beginning of the financial year to the date of this report are disclosed in the Appendix to the financial statements.

DIRECTORS' REPORT (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

DIRECTORS' INTERESTS IN SHARES

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

	<----- Number of ordinary shares ----->			
	At 1-1-2025	Bought	Sold	At 31-12-2025
The Company				
Mr. Whang Shang Ying				
- direct interest	3,000	-	-	3,000
- deemed interest	129,477,627	-	-	129,477,627
Lam Soon Cannery Private Limited (Ultimate Holding Company)				
Mr. Whang Shang Ying				
- direct interest	84,613,243	-	-	84,613,243
Lam Soon Strategic Sdn. Bhd. (Immediate Holding Company)				
Mr. Whang Shang Ying				
- deemed interest	610,008	-	-	610,008
Mr. Lo Wye Kan				
- direct interest	345	-	-	345
Subsidiaries of the Immediate Holding Company				
Alpha Management Services Sdn. Bhd.				
Mr. Whang Shang Ying				
- deemed interest	1,999,996	4	-	2,000,000
Lam Soon Management Services Sdn. Bhd.				
Mr. Whang Shang Ying				
- deemed interest	79,999	1	-	80,000
Dara-Lam Soon Sdn. Bhd.				
Mr. Whang Shang Ying				
- deemed interest	51,000,000	70,000	-	51,070,000
Urbanspace Sdn. Bhd.				
Mr. Whang Shang Ying				
- deemed interest	43,821,270	-	-	43,821,270
Subsidiary of Dara-Lam Soon Sdn. Bhd.				
DLS Properties Sdn. Bhd.				
Mr. Whang Shang Ying				
- deemed interest	9,070,000	-	-	9,070,000

DIRECTORS' REPORT (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

DIRECTORS' INTERESTS IN SHARES (cont'd)

	<----- Number of ordinary shares ----->			
	At 1-1-2025	Bought	Sold	At 31-12-2025
Subsidiary of Urbanspace Sdn. Bhd.				
Asas Awana Sdn. Bhd. (Under voluntary liquidation)				
Mr. Whang Shang Ying - deemed interest	1,000,000	-	-	1,000,000
Subsidiaries of the Company				
Lam Soon Plantations Sdn. Bhd.				
Mr. Whang Shang Ying - deemed interest	235,937,106	-	-	235,937,106
Lam Soon Edible Oils Sdn. Bhd.				
Mr. Whang Shang Ying - direct interest	-	2,000	-	2,000
- deemed interest	111,702,294	-	-	111,702,294
Rennes Properties Sdn. Bhd.				
Mr. Whang Shang Ying - deemed interest	128,197,932	-	-	128,197,932
Lam Soon Commodities Sdn. Bhd. (Under voluntary liquidation)				
Mr. Whang Shang Ying - deemed interest	2,000,003	-	-	2,000,003
Lam Soon Food Industries Sdn. Bhd. (Deregistered on 28 January 2026)				
Mr. Whang Shang Ying - deemed interest	1,050,000	-	-	1,050,000
Lam Soon Distribution Sdn. Bhd. (Deregistered on 28 January 2026)				
Mr. Whang Shang Ying - deemed interest	2	-	-	2
Subsidiaries of Lam Soon Plantations Sdn. Bhd.				
Pacific Oleochemicals Sdn. Bhd.				
Mr. Whang Shang Ying - deemed interest	100,000,000	-	-	100,000,000

DIRECTORS' REPORT (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

DIRECTORS' INTERESTS IN SHARES (cont'd)

	<----- Number of ordinary shares ----->			
	At 1-1-2025	Bought	Sold	At 31-12-2025
LS Cyber DC Sdn. Bhd.				
Mr. Whang Shang Ying - deemed interest	50,000,000	-	-	50,000,000
Subsidiaries of Lam Soon Edible Oils Sdn. Bhd.				
LM Services Sdn. Bhd.				
Mr. Whang Shang Ying - deemed interest	10,000	-	-	10,000
Lam Soon Trading Sdn. Bhd.				
Mr. Whang Shang Ying - deemed interest	2,785,000	-	-	2,785,000
Silk Holdings Pte. Ltd.				
Mr. Whang Shang Ying - deemed interest	6,971,059	-	-	6,971,059
Subsidiary of Silk Holdings Pte. Ltd.				
Silk Vietnam Company Limited				
Mr. Whang Shang Ying - deemed interest	*	-	-	*

* Silk Vietnam Company Limited has no individual share units and the total paid-up capital in Silk Vietnam Company Limited as at 31 December 2025 was VND114,417,350,000.

By virtue of their interests in shares in the Company, immediate and ultimate holding companies, Mr. Whang Shang Ying is deemed to have interests in shares of all subsidiaries to the extent the Company, immediate and ultimate holding companies have an interest.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

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

DIRECTORS' REPORT (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

DIRECTORS' BENEFITS (cont'd)

Since the end of the previous financial year, no directors of the Company have received or become entitled to receive any benefits (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors as shown in the financial statements or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to have arisen from transactions with companies in which certain directors of the Company have financial interests as shown below:

	Group RM'000	Company RM'000
Directors' fees	1,232	514
Other emoluments	12,911	2,500

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and officers of the Group were RM10,000,000 and RM35,086 respectively.

OTHER INFORMATION

- (a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain the action taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the accounting records had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances:
- (i) which would render the amount written off as bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

DIRECTORS' REPORT (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

OTHER INFORMATION (cont'd)

- (d) No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.
- (e) At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.
- (f) In the opinion of the directors:
 - (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

To the extent permitted by laws, the Company has agreed to indemnify its auditors, as part of the terms of its audit engagement, against claims arising from the audit. No payments have been made to indemnify the auditors for the current financial year.

The total amount of fees paid to or receivable by the auditors as remuneration for their services as auditors of the Group and of the Company for the current financial year are RM421,907 and RM89,000 respectively.

The auditors, Forvis Mazars PLT, Chartered Accountants, have expressed their willingness to accept re-appointment.

APPROVAL OF THE DIRECTORS' REPORT

This report is approved by the board of directors, and signed on behalf of the board of directors in accordance with a directors' resolution.

WHANG SHANG YING
Director

25 May 2026

KHONG CHEONG FOO
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAM SOON (M) BERHAD (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lam Soon (M) Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policies information, as set out on pages 23 to 97.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws")* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code")*, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAM SOON (M) BERHAD (cont'd)

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performance for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAM SOON (M) BERHAD (cont'd)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

Other Matter

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

FORVIS MAZARS PLT
201706000496 (LLP0010622-LCA)
AF 001954
Chartered Accountants

CHONG FAH YOW
03004/07/2026 J
Chartered Accountant

Kuala Lumpur

25 May 2026

STATEMENTS OF FINANCIAL POSITION

31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	3	428,936	430,877	838	579
Investment properties	4	179,389	177,380	55,734	58,821
Land held for property development	5	33,631	33,699	-	-
Right-of-use assets	6	148,891	135,015	363	-
Intangible assets	7	2,572	2,572	-	-
Investments in subsidiaries	8	-	-	436,715	436,715
Investments in associates	9	179,116	157,423	11,135	11,135
Other investments	10	1,890	1,215	1,668	990
Amount owing by a subsidiary	8	-	-	13,250	14,000
Deferred tax assets	11	5,626	5,059	-	-
		980,051	943,240	519,703	522,240
CURRENT ASSETS					
Inventories	12	470,812	453,933	-	-
Biological assets	13	4,131	4,341	-	-
Trade and other receivables	14	389,779	367,204	171	273
Amount owing by immediate holding company	15	104	12	104	12
Amounts owing by subsidiaries	8	-	-	828	1,077
Amount owing by an associate	9	15,328	13,493	-	-
Amounts owing by related companies	16	5,547	5,811	86	17
Short term investments	17	783,970	694,618	576,337	538,890
Current tax assets		2,497	4	-	-
Derivatives	18	2,411	378	-	-
Short term deposits	19	68,755	90,429	-	-
Cash and bank balances	20	62,018	32,350	177	161
		1,805,352	1,662,573	577,703	540,430
TOTAL ASSETS		2,785,403	2,605,813	1,097,406	1,062,670

STATEMENTS OF FINANCIAL POSITION (cont'd)

31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
EQUITY					
Share capital	21	214,720	214,720	214,720	214,720
Reserves	22	1,852,664	1,711,308	875,376	841,172
Equity attributable to owners of the Company		2,067,384	1,926,028	1,090,096	1,055,892
Non-controlling interests		130,302	121,797	-	-
TOTAL EQUITY		2,197,686	2,047,825	1,090,096	1,055,892
NON-CURRENT LIABILITIES					
Lease liabilities	6	22,925	8,491	283	-
Deferred tax liabilities	23	29,460	27,921	1,640	1,642
		52,385	36,412	1,923	1,642
CURRENT LIABILITIES					
Trade and other payables	24	341,677	332,494	5,022	4,826
Amounts owing to subsidiaries	8	-	-	33	51
Amount owing to an associate	9	146,925	123,614	-	-
Amounts owing to related companies	16	16,354	16,209	1	18
Lease liabilities	6	6,531	4,254	87	-
Bank borrowings	25	13,267	31,047	-	-
Derivatives	18	586	3,199	-	-
Current tax liabilities		9,992	10,759	244	241
		535,332	521,576	5,387	5,136
TOTAL LIABILITIES		587,717	557,988	7,310	6,778
TOTAL EQUITY AND LIABILITIES		2,785,403	2,605,813	1,097,406	1,062,670

The accompanying notes form an integral part of the financial statements

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	26	3,550,025	3,257,861	133,500	155,558
Cost of sales	27	(2,955,948)	(2,696,785)	(3,937)	(3,897)
Gross profit		594,077	561,076	129,563	151,661
Other income		38,934	42,966	13,140	12,644
Selling and distribution expenses		(174,497)	(152,170)	-	-
Administrative and general expenses		(171,332)	(164,450)	(9,825)	(7,168)
Finance costs	28	(2,485)	(1,708)	(16)	(2)
Share of results of associates (net of tax)		53,464	39,527	-	-
Profit before tax	29	338,161	325,241	132,862	157,135
Tax expense	30	(71,781)	(68,687)	(2,495)	(2,808)
Profit for the financial year		266,380	256,554	130,367	154,327
Other comprehensive income/(loss), net of tax					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Fair value gain on equity investments at fair value through other comprehensive income ("FVTOCI")		458	242	461	242
<i>Items that may be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences on foreign operation		(2,953)	(1,454)	-	-
Total other comprehensive (loss)/income		(2,495)	(1,212)	461	242
Total comprehensive income for the financial year		263,885	255,342	130,828	154,569

STATEMENTS OF COMPREHENSIVE INCOME (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit for the financial year attributable to:					
Owners of the Company		240,468	230,047	130,367	154,327
Non-controlling interests		25,912	26,507	-	-
		266,380	256,554	130,367	154,327
Total comprehensive income attributable to:					
Owners of the Company		237,980	228,838	130,828	154,569
Non-controlling interests		25,905	26,504	-	-
		263,885	255,342	130,828	154,569
Earnings per ordinary share attributable to owners of the Company (sen)					
- Basic	31	111.99	107.14		
Net dividend per ordinary share (sen)					
- distribution during the financial year		45.00	40.00		
- proposed for the financial year					
- Final		15.00	5.00		
- Special		20.00	15.00		

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Group 2025	Note	Attributable to owners of the Company									
		Share capital RM'000	Capital reserve RM'000	Currency translation reserve RM'000	Merger reserve RM'000	Equity investment reserve RM'000	Retained profits RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000	
At 1 January 2025		214,720	196,909	(2,157)	6,011	(3,138)	1,513,683	1,926,028	121,797	2,047,825	
Fair value gain on equity investments at FVTOCI		-	-	-	-	458	-	458	-	458	
Foreign currency translation differences on foreign operation		-	-	(2,946)	-	-	-	(2,946)	(7)	(2,953)	
Total other comprehensive (loss)/income for the financial year		-	-	(2,946)	-	458	-	(2,488)	(7)	(2,495)	
Profit for the financial year		-	-	-	-	-	240,468	240,468	25,912	266,380	
Total comprehensive (loss)/income for the financial year		-	-	(2,946)	-	458	240,468	237,980	25,905	263,885	
Transactions with owners:											
- Dividends of the Company	32	-	-	-	-	-	(96,624)	(96,624)	-	(96,624)	
- Dividends of subsidiaries		-	-	-	-	-	-	-	(17,400)	(17,400)	
At 31 December 2025		214,720	196,909	(5,103)	6,011	(2,680)	1,657,527	2,067,384	130,302	2,197,686	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Group 2024	Note	Attributable to owners of the Company										Total equity RM'000
		Share capital RM'000	Capital reserve RM'000	Currency translation reserve RM'000	Merger reserve RM'000	Equity investment reserve RM'000	Retained profits RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000		
At 1 January 2024		214,720	196,909	(706)	6,011	(3,380)	1,369,524	1,783,078	119,262	1,902,340		
Fair value gain on equity investments at FVTOCI		-	-	-	-	242	-	242	-	242		
Foreign currency translation differences on foreign operation		-	-	(1,451)	-	-	-	(1,451)	(3)	(1,454)		
Total other comprehensive (loss)/income for the financial year		-	-	(1,451)	-	242	-	(1,209)	(3)	(1,212)		
Profit for the financial year		-	-	-	-	-	230,047	230,047	26,507	256,554		
Total comprehensive (loss)/income for the financial year		-	-	(1,451)	-	242	230,047	228,838	26,504	255,342		
Transactions with owners:												
- Dividends of the Company	32	-	-	-	-	-	(85,888)	(85,888)	-	(85,888)		
- Dividends of subsidiaries		-	-	-	-	-	-	-	(23,969)	(23,969)		
		-	-	-	-	-	(85,888)	(85,888)	(23,969)	(109,857)		
At 31 December 2024		214,720	196,909	(2,157)	6,011	(3,138)	1,513,683	1,926,028	121,797	2,047,825		

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	<---- Non-distributable---->		Distributable	Total equity RM'000
	Share capital RM'000	Equity investment reserve RM'000	Retained profits RM'000	
Company				
At 1 January 2024	214,720	145	772,346	987,211
Other comprehensive income for the financial year	-	242	-	242
Profit for the financial year	-	-	154,327	154,327
Dividends (Note 32)	-	-	(85,888)	(85,888)
At 31 December 2024	214,720	387	840,785	1,055,892
Other comprehensive income for the financial year	-	461	-	461
Profit for the financial year	-	-	130,367	130,367
Dividends (Note 32)	-	-	(96,624)	(96,624)
At 31 December 2025	214,720	848	874,528	1,090,096

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	338,161	325,241	132,862	157,135
Adjustments for:				
Bad debts written off	293	278	498	43
Depreciation of property, plant and equipment	42,254	37,851	136	117
Depreciation of investment properties	5,042	3,475	3,087	3,087
Depreciation of right-of-use assets	9,416	10,070	91	87
Fair value loss/(gain) on biological assets	210	(1,601)	-	-
Gain on termination and modification of lease contracts	(105)	(43)	-	-
Gratuity and retirement benefits	5,808	3,714	-	-
Impairment loss on trade receivables	523	215	-	-
Inventories written down/(back)	1,736	(1,878)	-	-
Inventories written off	1,905	1,486	-	-
Investment properties written off	272	-	-	-
Land held for property development written off	68	-	-	-
Net gain on disposal of property, plant and equipment	(361)	(319)	-	(35)
Net fair value gain on short term investments	(16,613)	(14,617)	(10,658)	(9,520)
Net fair value (gain)/loss on derivatives	(4,645)	4,724	-	-
Net unrealised loss/(gain) on foreign exchange	2,137	(2,052)	-	-
Other investments written off	-	22	-	22
Property, plant and equipment written off	1,276	351	4	-
Share of results of associates	(53,464)	(39,527)	-	-
Reversal of impairment loss on trade receivables	(242)	(480)	-	-
Dividend income	(25)	(15)	(118,083)	(140,634)
Dividend income from short term investments	(9,377)	(10,426)	(8,386)	(8,294)
Interest income	(4,532)	(3,667)	(617)	(1,683)
Interest expenses	2,485	1,708	16	2
Operating profit/(loss) before working capital changes	322,222	314,510	(1,050)	327
Changes in inventories	(24,169)	(56,075)	-	-
Changes in receivables	(27,105)	(64,415)	(308)	191
Changes in payables	28,660	68,141	161	435
Cash generated from/(used in) operations	299,608	262,161	(1,197)	953
Interest paid	(984)	(474)	(16)	(2)
Net tax paid	(74,022)	(58,303)	(2,494)	(2,728)
Net cash generated from/(used in) operating activities	224,602	203,384	(3,707)	(1,777)

STATEMENTS OF CASH FLOWS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of additional shares in a subsidiary	-	-	-	(57,000)
Additions to land held for property development	-	(81,246)	-	-
Purchase of property, plant and equipment	(42,777)	(60,468)	(399)	(5)
Purchase of investment properties	(7,323)	-	-	-
Purchase of other investments	(217)	(495)	(217)	(495)
Net (purchase)/redemption of short term and other investments	(72,739)	60,465	(26,789)	9,382
Proceeds from disposal of property, plant and equipment	724	640	-	35
Net loan repayment/(drawdown) from a subsidiary	-	-	750	(14,750)
Interest received	4,532	3,667	617	1,683
Dividends received from subsidiaries	-	-	100,458	125,967
Dividends received from associates	33,920	36,072	17,600	14,652
Dividends received from short term and other investments	9,402	10,441	8,411	8,309
Net cash (used in)/generated from investing activities	(74,478)	(30,924)	100,431	87,778
CASH FLOWS FROM FINANCING ACTIVITIES				
Net (repayment)/drawdown of bank borrowings (Note a)	(17,780)	3,221	-	-
Lease payments	(6,464)	(7,540)	(84)	(94)
Dividends paid to shareholders of the Company	(96,624)	(85,888)	(96,624)	(85,888)
Dividends of subsidiaries paid to non-controlling interests	(17,400)	(23,969)	-	-
Interest paid	(1,501)	(1,234)	-	-
Net cash used in financing activities	(139,769)	(115,410)	(96,708)	(85,982)
NET CHANGES IN CASH AND CASH EQUIVALENTS	10,355	57,050	16	19
EFFECT OF EXCHANGE RATE CHANGES	(2,361)	158	-	-
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	122,779	65,571	161	142
CASH AND CASH EQUIVALENTS CARRIED FORWARD	130,773	122,779	177	161

STATEMENTS OF CASH FLOWS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Represented by:				
SHORT TERM DEPOSITS	68,755	90,429	-	-
CASH AND BANK BALANCES	62,018	32,350	177	161
	130,773	122,779	177	161

Note (a):

Reconciliation of liabilities arising from financing activities

	Group	
	2025 RM'000	2024 RM'000
At beginning of financial year	31,047	27,826
<i>Cash flows:</i>		
Drawdown of bank borrowings	152,112	153,742
Repayment of bank borrowings	(169,892)	(150,521)
Interest paid	(17,780) (1,501)	3,221 (1,234)
<i>Non-cash changes:</i>		
Interest expenses	1,501	1,234
At end of financial year	13,267	31,047

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

Lam Soon (M) Berhad (the "Company") is a public limited company incorporated and domiciled in Malaysia. The address of the registered office and principal place of business of the Company is disclosed on page 2.

The ultimate holding company is Lam Soon Cannery Private Limited, a company incorporated in the Republic of Singapore.

The immediate holding company is Lam Soon Strategic Sdn. Bhd., a company incorporated in Malaysia which holds 60.2% (2024: 60.2%) of the issued and paid-up share capital of the Company.

The Company is principally engaged in investment and property holding. The principal activities of the subsidiaries are disclosed in Note 8.

There have been no significant changes in the nature of these activities during the financial year.

2. MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards issued by the Malaysian Accounting Standards Board ("MASB"), IFRS Accounting Standards issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia.

The measurement bases applied in the preparation of the financial statements include historical cost, recoverable value, realisable value and fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market condition (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

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

The fair value measurement of the Group's and of the Company's financial instruments at the reporting date is disclosed in Note 37.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. Unless otherwise indicated, the amounts in these financial statements have been rounded to the nearest thousand (RM'000).

(b) Application of new or amended standards

In the current financial year, the Group and the Company have applied Amendments to MFRS Accounting Standards ("Amendments") that become effective mandatorily for the financial periods beginning on or after 1 January 2025.

The adoption of the Amendments does not have significant impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(c) Standards issued that are not yet effective

The Group and the Company have not applied the following new standards and Amendments which are relevant to the Group and the Company that have been issued by the MASB but are not yet effective:

		<u>Effective Date</u>
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	Annual Improvements to MFRS Accounting Standards-Volume 11	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to MFRS 19	Amendments to MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

Except as otherwise indicated below, the adoption of the above new standards and Amendments are not expected to have significant impact on the financial statements of the Group and of the Company when they are effective.

MFRS 18

The adoption of MFRS 18 might change certain presentation and disclosure in the financial statements. However, it will not impact the recognition or measurement of items in the financial statements.

(d) Significant accounting judgements and estimates

The preparation of financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the end of the reporting period, and reported amounts of income and expenses during the financial year.

Although these estimates are based on management's best knowledge of current events and actions, historical experiences and various other factors, including expectations for future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

There are no critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(d) Significant accounting judgements and estimates (cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are as follows:

- (i) Depreciation and useful lives of property, plant and equipment, right-of-use assets and investment properties

The cost of plant and machinery for the manufacturing of the Group's palm oil related products and other consumer products is depreciated on a straight-line basis over the assets' useful lives. The management estimated the useful lives of these plant and machinery to be between 7 and 33 years. These are common life expectancies applied in the industry. The management estimates the useful lives of investment properties to be 53 to 95 years.

Any changes in the expected level of usage, physical wear and tear and technological development could impact the economic useful lives and the residual values of these assets, and therefore, future depreciation charges may be revised.

- (ii) Bearer plants

Bearer plants comprise pre-cropping expenditure incurred from land clearing to the point of maturity. Such expenditure is capitalised and is depreciated on a straight-line basis at maturity of the crop over the economic useful lives of the crop. Depreciation of mature bearer plants was computed based on the straight-line basis over the remaining useful lives of 22 years.

- (iii) Biological assets

The Group carries their biological assets at fair value with changes in fair value being recognised in profit or loss. The determination of the fair value of the biological assets requires the use of estimates on the projected harvest quantities and market price of fresh fruit bunches ("FFB") as at the reporting date. The carrying amount and key assumptions used to determine the fair value of the biological assets are further disclosed in Note 13.

- (iv) Impairment of investments in subsidiaries and associates

Investment in subsidiaries and associates are assessed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, an estimation of their recoverable amount is required.

Estimating the recoverable amount requires management to make an estimate of the expected future cash flows from the subsidiaries and associates and also choose a suitable discount rate in order to calculate the present value of those cash flows.

- (v) Write-down in value of inventories

Inventories are stated at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected selling prices.

Inventories are reviewed on a regular basis and the Group will make an impairment loss for excess or obsolete inventories based primarily on historical trends and management estimates of expected and future product demand and related pricing.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(d) Significant accounting judgements and estimates (cont'd)

Key sources of estimation uncertainty (cont'd)

(v) Write-down in value of inventories (cont'd)

Demand levels, technological advances and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories and additional provision for slow-moving inventories may be required.

(vi) Determining the loss allowance for trade receivables

Management assesses the expected credit losses ("ECL") for trade receivables at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive. Management applies simplified approach of MFRS 9 *Financial Instruments* in assessing the impairment of trade receivables.

In determining the ECL, management uses historical credit loss experience for trade receivables to estimate the ECL. Management is not only required to consider historical information that is adjusted to reflect the effects of current conditions and information that provides objective evidence that trade receivables are impaired in relation to incurred losses, but management is also considering, when applicable, reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL, on an individual and collective basis.

The need to consider forward-looking information means that management exercises considerable judgement as to how changes in macroeconomic factors will affect the ECL on trade receivables.

The ECL on trade receivables as at current reporting date is primarily based upon the historical credit loss experience.

(vii) Determining the loss allowance for non-trade receivables

Management assesses the ECL for receivables (other than trade receivables) at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive.

In determining the ECL, management assesses whether there has been any significant increase in credit risk since initial recognition of a receivable. Where there has not been a significant increase in credit risk since initial recognition, management determines the loss allowance by estimating an amount equal to 12-month ECL of that receivable. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), management measures a loss allowance for credit losses expected over the remaining life of that receivable. Management exercise considerable judgement in these estimations, using historical credit loss experience as well as reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(d) Significant accounting judgements and estimates (cont'd)

Key sources of estimation uncertainty (cont'd)

(viii) Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(ix) Recognition of deferred tax assets

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

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

(x) Fair value of financial instruments

Where fair values of financial instruments recorded on the statements of financial position cannot be derived from active markets, they are determined using valuation techniques, including the discounted cash flow model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing the fair values.

The judgements include considerations of liquidity and model inputs regarding the future financial performance of the investee, the risk profile and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(xi) Lease liabilities

Management estimates the lease term as the non-cancellable period of a lease together with both periods covered by an option to extend the lease and an option to terminate the lease. In assessing whether it is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, management exercises judgement by considering all relevant facts and circumstances that create an economic incentive to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

Management measures the lease liability as the present value of the lease payments that are not paid at commencement date. The lease payments are discounted using the incremental borrowing rate.

The lease terms and discount rate are determined using certain assumptions and they represents management's best estimation. The assumptions on which it is based relate to the future. Actual outcome may be different from the estimation and the variation could be material.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(e) Investments in subsidiaries

In the Company's separate financial statements, investment in subsidiaries is measured at cost less impairment losses, if any. Impairment losses are charged to profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the subsidiary disposed of is recognised in profit or loss.

(f) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries controlled by the Company made up to the end of the financial year.

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

- (i) power over the entity;
- (ii) exposure, or rights, to variable returns from its involvement with the entity; and
- (iii) the ability to use its power over the entity to affect the amount of the investor's returns.

Potential voting rights are considered when assessing control only if the rights are substantive.

The Company reassesses whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of an investee shall begin from the date the Company obtains control of the entity and ceases when the Company loses control of the investee.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

All intra-group balances, transactions, income and expenses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

The Company attributes the profit or loss and each component of other comprehensive income to the owners of the Company and to the non-controlling interests. The Company also attributes total comprehensive income to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests are initially measured at fair value. Subsequently, non-controlling interests are the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes of interests in subsidiaries

The changes of interest in subsidiaries that do not result in a loss of control are treated as equity transactions between the Group and non-controlling interest holders. Any gain or loss arising from equity transactions is recognised directly in equity.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(f) Basis of consolidation (cont'd)

Loss of control

When the Company loses control of subsidiaries:

- (i) It derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income relating to the former subsidiaries.
- (ii) It recognises any gain or loss in profit or loss attributable to the Group, which is calculated as the difference between (i) the aggregate of the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control; plus any investment retained in the former subsidiaries at its fair value at the date when control is lost; and (ii) the net carrying amount of assets, liabilities, goodwill and any non-controlling interests attributable to the former subsidiaries at the date when control is lost.
- (iii) It recognises any investment retained in the former subsidiaries at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiaries in accordance with relevant MFRS. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with MFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

(g) Business combination

The Group accounts for each business combination by applying the acquisition method.

The consideration transferred in a business combination shall be measured at fair value, which shall be calculated at the sum of the acquisition date fair value of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer.

The Group accounts for acquisition related costs as expenses in the periods in which the costs are incurred and the services are received.

The Group measures at the acquisition date, components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation of either: (i) fair value; or (ii) the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

On the date of acquisition, goodwill is measured at the excess of (a) over (b) below:

- (a) The aggregate of: (i) the fair value of consideration transferred; (ii) the amount of any non-controlling interest in the acquiree; and (iii) in a business combination achieved in stages, the fair value of the Group's previously held equity interest in the entity.
- (b) The net fair value of the identifiable assets acquired and the liabilities assumed.

A business combination in which the amount in (b) above exceeds the aggregate of the amounts in (a) above, the Group recognises the resulting gain ("negative goodwill") directly in profit or loss on the acquisition date.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(g) Business combination (cont'd)

Subsidiaries are consolidated using the acquisition method of accounting except for certain subsidiaries, as disclosed in Note 8, which were using the merger method of accounting. Under the merger method of accounting, the results of the subsidiaries are presented as if the companies had been combined throughout the current and previous financial years. Any difference between the consideration paid and the share capital of the acquired subsidiary is reflected within equity as merger reserve.

(h) Investments in associates

An associate is an entity in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the entity, but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are initially recognised at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the associates.

The Group's share of net profit or loss and changes recognised directly in the other comprehensive income of the associates are recognised in the consolidated profit or loss and consolidated other comprehensive income, respectively.

Investment in an associate is accounted for using the equity method from the date on which the Group obtains significant influence until the date the Group ceases to have a significant influence over the associate.

Goodwill relating to an associate is included in the carrying value of the investment and it is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment.

Discount on acquisition is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

Unrealised gains or losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates.

Equity accounting is discontinued when the carrying amount of the investment in an associate diminishes by virtue of losses to zero, unless the Group has legal or constructive obligations or made payments on behalf of the associate.

The results and reserves of associates are accounted for in the consolidated financial statements based on audited financial statements made up to the end of the financial year and prepared using accounting policies that conform to those used by the Group for like transactions in similar circumstances.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate is recognised at fair value on the date when significant influence is lost. Any gain or loss arising from the loss of significant influence over an associate is recognised in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(h) Investments in associates (cont'd)

When changes in the Group's interest in an associate do not result in a loss of significant influence, the retained interests in the associate are not remeasured. Any gain or loss arising from the changes in the Group's interests in the associate is recognised in profit or loss.

Where the Group or its subsidiaries transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

In the Company's separate financial statements, investments in associates are measured at cost less impairment losses, if any. Impairment losses are recognised in profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the associate disposed off is recognised in profit or loss.

(i) Property, plant and equipment

(i) Measurement basis

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

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss when incurred.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Bearer plants (which include mature and immature oil palm plantations) are living plants that are used in the production or supply of agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce, except for incidental scrap sales. Bearer plants have an average life cycle of 25 years with the first 3 years as immature bearer plants and the remaining years as mature bearer plants. The immature bearer plants are measured at cost whilst mature bearer plants are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes plantation expenditure, which represents the total cost incurred from land clearing to the point of harvesting.

Bearer plants are derecognised upon disposal or when no future economic benefits are expected to flow to the entity. Any gain or loss arising on derecognition of the bearer plants is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(i) Property, plant and equipment (cont'd)

(ii) Depreciation

Capital work-in-progress are not depreciated.

Depreciation is calculated to write off the depreciable amount of property, plant and equipment (other than capital work-in-progress) on a straight-line basis over their estimated useful lives. Depreciable amount is determined after deducting the residual value from the cost.

The principal annual rates used for this purpose are:

Buildings	3%
Plant, machinery and tanks	3% - 14%
Roads and culverts	10%
Motor vehicles	20% - 25%
Furniture, fittings and equipment	5% - 50%
Renovation	3%

Immature bearer plants are not depreciated until it is classified as mature bearer plants upon commencement of commercial production. The mature bearer plants are depreciated over its remaining useful lives of 22 years on a straight-line basis.

The residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at each reporting date.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

(j) Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes, or sale in the ordinary course of business.

(i) Measurement basis

Investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of investment properties includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Investment properties are derecognised upon disposal or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from their disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (cont'd)**(j) Investment properties (cont'd)****(ii) Depreciation**

Freehold land is not depreciated. Leasehold land is depreciated over the period of the respective leases which ranged between 53 and 95 years.

Depreciation is calculated to write off the depreciable amount of buildings and warehouse equipment on a straight-line basis to their residual values over their expected useful lives.

The principal annual rates used for this purpose are:

Buildings	3%
Warehouse equipment	10% - 20%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

(k) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified under non-current assets and is stated at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment loss is in accordance with Note 2(q).

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

(l) Leases*The Group as Lessee*

Right-of-use assets and corresponding lease liabilities are recognised with respect to all lease agreements, except for short-term leases and leases of low-value assets.

For short-term leases (i.e. leases with a lease term of 12 months or less) and leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the lease commencement date, discounted using the rate implicit in the lease or incremental borrowing rate, where applicable. Lease payments included in the measurement of the lease liability comprise: (i) fixed lease payments, less lease incentives; (ii) variable lease payments based upon an index or a rate; and (iii) payments of penalties for terminating the lease.

The right-of-use assets comprise the corresponding lease liability, lease payments made at or before the lease commencement date and initial direct costs. Whenever there is an obligation to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the agreed condition, a provision is recognised. These costs are included in the related right-of-use assets.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(l) Leases (cont'd)

The Group as Lessee (cont'd)

Right-of-use assets are measured at cost less accumulated depreciation and impairment losses, if any. They are depreciated over the shorter period of lease term and useful life of the underlying assets. The depreciation starts on the lease commencement date. The leasehold land of the Group are depreciated over the period of the respective leases which ranged between 27 and 99 years. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment. The depreciation periods and depreciation method are reviewed, and adjusted if appropriate, at each reporting date.

Variable lease payment (not based upon an index or a rate) are recognised as an expense in the period in which it is incurred.

The Group as Lessor

Leases are classified as finance leases or operating leases. Whenever the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the lease term. Initial direct costs incurred are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the net investment in the leases. Finance lease income is allocated to reporting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

(m) Intangible assets

Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

Trademark and Licence

Trademark and licence are recognised as intangible assets if it is possible that the future economic benefits that are attributable to such assets will flow to the enterprise and can be measured reliably.

The useful life of the licence is estimated to be indefinite because once registered, the Group is able to sell its products to the European countries indefinitely.

Intangible assets with indefinite useful lives are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level.

Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(n) Biological assets

Biological assets comprises oil palm fresh fruit bunches (“FFB”) prior to harvest.

Biological assets are measured at fair value less costs to sell. Costs to sell include all incremental costs that would be necessary to sell the biological assets. Changes in fair value are recognised in profit or loss.

Oil palm trees are bearer plants, while produce that grows on mature plantations (FFB) are biological assets until the point of harvest. Harvested FFB are transferred to inventory at fair value less costs to sell.

(o) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis or the weighted average basis, depending on the nature of the inventories.

In the case of finished goods and work-in-progress, cost comprises materials, direct labour, other direct charges and an appropriate proportion of factory overheads based on the normal production capacity.

Net realisable value represents the estimated selling price in the ordinary course of business, less selling and distribution costs and all other estimated costs to completion.

(p) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of an instrument.

Financial assets (with the exception of trade receivables that do not contain a significant financing component) and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition. A trade receivable without a significant financing component is initially measured at its transaction price.

Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Subsequent Measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are measured subsequently in the following manners:

- at amortised cost (debt instruments); or
- at fair value through other comprehensive income (“FVTOCI”), with recycling of cumulative gains and losses (debt instruments); or
- designated at FVTOCI, without recycling of cumulative gains and losses (equity instruments); or
- at fair value through profit or loss (“FVTPL”).

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(p) Financial instruments (cont'd)

Financial Assets at Amortised Cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when an asset is derecognised, modified or impaired.

Equity Instruments designated at FVTOCI

Upon initial recognition, management may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the entity manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative instrument (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in a reserve in equity. Equity instruments designated at FVTOCI are not subject to impairment assessment.

Financial Assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL, including but not limited to:

- Debt instruments that are designated at FVTPL, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.
- Derivative instruments.

Financial assets at FVTPL are measured at fair value, with fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

Impairment of Financial Assets

Loss allowance is recognised for ECL for all debt instruments not held at FVTPL, i.e. financial assets at amortised cost or FVTOCI and receivables, lease receivables, contract assets, loan commitments and financial guarantee contracts.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(p) Financial instruments (cont'd)

Impairment of Financial Assets (cont'd)

ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that are expected to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

Management measures the loss allowance of trade receivables and lease receivables at an amount equal to their lifetime ECL (i.e. simplified approach). The ECL on these financial assets are estimated based on historical credit loss experience, and where appropriate, adjusted for forward-looking factors specific to the debtors and the economic environment.

For all other financial assets at amortised cost, where credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within 12 months after the reporting date. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), a loss allowance is required for credit losses expected over the remaining life of the financial assets.

Derecognition of Financial Assets

A financial asset is derecognised only when the contractual rights to the cash flows from the financial asset expire; or when the financial asset is transferred and substantially all the risks and rewards of ownership of the financial asset are transferred to another party.

If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control a transferred financial asset, the entity recognises its retained interest in the financial asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the financial asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in a debt instrument classified at FVTOCI, the cumulative gain or loss previously accumulated in the reserve is reclassified to profit or loss. On derecognition of an investment in equity instrument classified at FVTOCI, the cumulative gain or loss previously accumulated in the reserve is transferred to retained earnings.

Financial Liabilities and Equity Instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(p) Financial instruments (cont'd)

Equity Instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued are recognised at the proceeds received. Costs incurred directly attributable to the issuance of the equity instruments are accounted for as a deduction from equity.

Repurchase of own equity instruments is deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of own equity instruments.

Equity dividends are recognised as a liability when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

Financial Liabilities

All financial liabilities are subsequently measured at FVTPL or at amortised cost.

Financial Liabilities at Amortised Cost

Financial liabilities that are not:

- contingent consideration of an acquirer in a business combination;
- held-for-trading; or
- designated as at FVTPL

are subsequently measured at amortised cost using the effective interest method.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument or a financial liability by allocating interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of a debt instrument or a financial liability, to the amortised cost of the debt instrument or the financial liability.

Derecognition of Financial Liabilities

Financial liabilities are derecognised when, and only when, the obligations under the liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(p) Financial instruments (cont'd)

Derivative Financial Instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently measured at fair value. The resulting gain or loss is recognised in profit or loss, unless the derivative is designated and effective as a hedging instrument.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(q) Impairment of non-financial assets

(i) Intangible assets

Intangible assets are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the intangible assets may be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from synergies of the business combination.

An impairment loss is recognised when the carrying amount of the cash-generating unit, including the goodwill, exceeds the recoverable amount of the cash-generating unit. Recoverable amount of the cash-generating unit is the higher of the cash-generating unit's fair value less cost to sell and its value in use.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the cash-generating unit and then to the other assets of the cash-generating unit proportionately on the basis of the carrying amount of each asset in the cash-generating unit.

Impairment loss recognised on goodwill is not reversed in the event of an increase in recoverable amount in subsequent periods.

(ii) Non-financial assets

Property, plant and equipment, investment properties, land held for property development, right-of-use assets, investments in subsidiaries and associates are assessed at each reporting date to determine whether there is any indication of impairment.

If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset.

Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(q) Impairment of non-financial assets (cont'd)

(ii) Non-financial assets (cont'd)

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

Any reversal of an impairment loss as a result of a subsequent increase in recoverable amount should not exceed the carrying amount that would have been determined (net of amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

(r) Revenue and other income recognition

Revenue from a contract with a customer is recognised when control of the goods or services are transferred to the customer. Revenue is measured based on the consideration specified in the contract to which the entity expects to be entitled in exchange for transferring the goods or services to the customer, excluding amounts collected on behalf of third parties.

If a contract with a customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The Group accepts return of goods from customers arising from customary business practices that give rise to variable consideration. In estimating the variable consideration, the Group uses the expected value method to predict the sales returns. Management relies on historical purchasing patterns and product returns of customers, including seasonal trends, to develop its expectation.

- (i) Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customers, generally upon delivery of goods. A corresponding receivable is recognised for the consideration that is unconditional when only the passage of time is required before the payment is due. There is no element of significant financing component on the Group's revenue transactions as customers are required to pay in advance to 90 days.
- (ii) Interest income is recognised using the effective interest method.
- (iii) Rental income is recognised on a straight-line basis over the lease terms.
- (iv) Dividend income from investments is recognised in profit or loss as and when the right to receive is established.
- (v) Management income and commission income are recognised when the services have been rendered.
- (vi) Royalty income is recognised on an accrual basis in accordance with the licensing agreements.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(s) Taxation

The income tax expense represents the aggregate amount of current tax and deferred tax.

Current tax and deferred tax are recognised in profit or loss. Current tax and deferred tax are recognised in other comprehensive income or directly in equity, if the tax relates to items that are recognised in other comprehensive income or directly in equity. Where deferred tax arises from a business combination, the tax effect is included in the accounting for the business combination.

Current Tax

Current tax is the expected income tax payable on the taxable profit for the financial year, estimated using the tax rates enacted or substantially enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future payment to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, which is accounted for using the liability method.

A deferred tax liability is recognised for taxable temporary differences. A deferred tax asset is only recognised for deductible temporary differences and unutilised tax credit to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and unutilised tax credit can be utilised.

No deferred tax is recognised for temporary differences arising from the initial recognition of: (i) goodwill, or (ii) an asset or liability (which is not in a business combination) at the time of the transaction that affects neither accounting profit nor taxable profit.

Deferred taxes are measured based on tax consequences that would follow from the manner in which the asset or liability is expected to be recovered or settled, and based on the tax rates enacted or substantively enacted at the reporting date that are expected to apply to the period when the asset is realised or when the liability is settled.

(t) Borrowing costs

Borrowing costs incurred on assets under development that take a substantial period of time for completion are capitalised into the carrying value of the assets. Capitalisation of borrowing costs commence when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred and ceases when the asset is completed or during extended periods when active development is interrupted.

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

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(u) Employee benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave, paid sick leave, maternity leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees.

(ii) Defined contribution plans

The Company and its Malaysian subsidiaries pay monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan.

The legal or constructive obligation of the Company and its Malaysian subsidiaries is limited to the amount that they agree to contribute to the EPF. The contributions to the EPF are charged to profit or loss in the period to which they relate.

(iii) Retirement benefits

A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their service to the Group at the end of the reporting period.

(v) Foreign currencies

(i) Functional currency

Functional currency is the currency of the primary economic environment in which an entity operates.

The financial statements of each entity within the Group are measured using their respective functional currency.

(ii) Transactions and balances in foreign currencies

Transactions in currencies other than the functional currency ("foreign currencies") are translated to the functional currency at the rate of exchange ruling at the date of the transaction.

Monetary items denominated in foreign currencies at the reporting date are translated at foreign exchange rates ruling at that date.

Non-monetary items which are measured in terms of historical costs denominated in foreign currencies are translated at foreign exchange rates ruling at the date of the transaction.

Non-monetary items which are measured at fair values denominated in foreign currencies are translated at the foreign exchange rates ruling at the date when the fair values were determined.

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

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(v) Foreign currencies (cont'd)

(ii) Transactions and balances in foreign currencies (cont'd)

When a gain or loss on a non-monetary item is recognised directly in other comprehensive income, any corresponding exchange gain or loss is recognised directly in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any corresponding exchange gain or loss is recognised in profit or loss.

(iii) Translation of foreign operations

For consolidation purposes, all assets and liabilities of foreign operations are translated at the prevailing exchange rate on the reporting date. Income and expense are translated at average exchange rate for the financial period. Exchange differences arising from the translation of the financial statements of the foreign operation are recognised in other comprehensive income; accumulated in a separate component of equity and attributed to non-controlling interests as appropriate.

On disposal of a foreign operation (i.e. loss of control, joint control or significant influence), the accumulated exchange differences recognised in equity relating to that foreign operation is reclassified to profit or loss.

In a partial disposal that does not result in losing of control over a foreign operation, the proportionate share of accumulated exchange differences in equity is re-attributed to non-controlling interests and are not recognised in profit or loss. For other partial disposals (i.e. partial disposals of associates or joint ventures that do not result in losing of significant influence or joint control), the proportionate share of the accumulated exchange differences in equity is reclassified to profit or loss.

(w) Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, when it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, a provision represents the present value of those estimated future cash flows.

When some or all of the cash flows required to settle a provision are expected to be recovered from a third party, an asset is recognised if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(x) Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances and deposits which are short term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. PROPERTY, PLANT AND EQUIPMENT

Group 2025	Buildings RM'000	Plant, machinery and tanks RM'000	Roads and culverts RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Renovation RM'000	Capital work-in- progress RM'000	Bearer plants RM'000	Total RM'000
Cost									
At 1 January	289,026	582,300	14,425	66,121	96,262	7,772	60,441	93,779	1,210,126
Additions	40	3,946	133	7,206	5,323	55	22,967	3,107	42,777
Disposals	-	(764)	-	(5,004)	-	-	-	-	(5,768)
Write-offs	(2,344)	(1,796)	-	(268)	(2,861)	-	(26)	-	(7,295)
Reclassification	68,544	3,089	-	-	713	-	(72,346)	-	-
Derecognition	-	-	-	-	-	-	-	(3,477)	(3,477)
Exchange adjustment	(628)	(795)	-	(4)	(253)	-	-	-	(1,680)
At 31 December	354,638	585,980	14,558	68,051	99,184	7,827	11,036	93,409	1,234,683
Accumulated depreciation									
At 1 January	126,949	479,273	13,614	50,143	76,730	2,969	-	29,446	779,124
Charge for the financial year	9,396	17,091	563	6,836	4,516	224	-	3,628	42,254
Disposals	-	(761)	-	(4,644)	-	-	-	-	(5,405)
Write-offs	(1,171)	(1,773)	-	(268)	(2,807)	-	-	-	(6,019)
Derecognition	-	-	-	-	-	-	-	(3,477)	(3,477)
Exchange adjustment	(60)	(623)	-	(4)	(168)	-	-	-	(855)
At 31 December	135,114	493,207	14,177	52,063	78,271	3,193	-	29,597	805,622
Accumulated impairment losses									
At 1 January/31 December	-	125	-	-	-	-	-	-	125
Net carrying amount									
At 31 December	219,524	92,648	381	15,988	20,913	4,634	11,036	63,812	428,936

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group 2024	Buildings RM'000	Plant, machinery and tanks RM'000	Roads and culverts RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Renovation RM'000	Capital work-in- progress RM'000	Bearer plants RM'000	Total RM'000
Cost									
At 1 January	286,865	542,721	14,425	65,332	93,680	7,772	56,929	90,502	1,158,226
Additions	543	19,142	-	5,724	3,970	-	27,812	3,277	60,468
Disposals	-	-	-	(3,575)	(2)	-	-	-	(3,577)
Write-offs	(154)	(1,622)	-	(459)	(912)	-	(313)	-	(3,460)
Reclassification	2,148	22,505	-	(899)	233	-	(23,987)	-	-
Transfers to investment properties	(16)	-	-	-	(574)	-	-	-	(590)
Exchange adjustment	(360)	(446)	-	(2)	(133)	-	-	-	(941)
At 31 December	289,026	582,300	14,425	66,121	96,262	7,772	60,441	93,779	1,210,126
Accumulated depreciation									
At 1 January	118,302	466,149	12,896	49,197	73,069	2,746	-	25,980	748,339
Charge for the financial year	8,803	14,963	718	4,785	4,893	223	-	3,466	37,851
Disposals	-	-	-	(3,254)	(2)	-	-	-	(3,256)
Write-offs	(138)	(1,612)	-	(459)	(900)	-	-	-	(3,109)
Reclassification	-	124	-	(124)	-	-	-	-	-
Transfers to investment properties	(1)	-	-	-	(243)	-	-	-	(244)
Exchange adjustment	(17)	(351)	-	(2)	(87)	-	-	-	(457)
At 31 December	126,949	479,273	13,614	50,143	76,730	2,969	-	29,446	779,124
Accumulated impairment losses									
At 1 January/31 December	-	125	-	-	-	-	-	-	125
Net carrying amount									
At 31 December	162,077	102,902	811	15,978	19,532	4,803	60,441	64,333	430,877

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company 2025	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Renovation RM'000	Total RM'000
Cost				
At 1 January	346	375	288	1,009
Additions	360	39	-	399
Write-offs	-	(32)	-	(32)
At 31 December	706	382	288	1,376
Accumulated depreciation				
At 1 January	86	276	68	430
Charge for the financial year	87	41	8	136
Write-offs	-	(28)	-	(28)
At 31 December	173	289	76	538
Net carrying amount				
At 31 December	533	93	212	838
2024				
Cost				
At 1 January	582	370	288	1,240
Additions	-	5	-	5
Disposal	(236)	-	-	(236)
At 31 December	346	375	288	1,009
Accumulated depreciation				
At 1 January	253	237	59	549
Charge for the financial year	69	39	9	117
Disposal	(236)	-	-	(236)
At 31 December	86	276	68	430
Net carrying amount				
At 31 December	260	99	220	579

4. INVESTMENT PROPERTIES

Group 2025	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Furniture, fittings and equipment RM'000	Warehouse equipment RM'000	Capital work-in- progress RM'000	Total RM'000
Cost							
At 1 January	1,673	155,646	81,172	574	3,085	-	242,150
Additions	-	-	-	175	-	7,148	7,323
Write-offs	-	-	(20,866)	(250)	-	-	(21,116)
At 31 December	1,673	155,646	60,306	499	3,085	7,148	228,357

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. INVESTMENT PROPERTIES (cont'd)

Group 2025	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Furniture, fittings and equipment RM'000	Warehouse equipment RM'000	Capital work-in- progress RM'000	Total RM'000
Accumulated depreciation							
At 1 January	-	20,195	39,033	243	3,040	-	62,511
Charge for the financial year	-	2,063	2,879	84	16	-	5,042
Write-offs	-	-	(18,954)	(48)	-	-	(19,002)
At 31 December	-	22,258	22,958	279	3,056	-	48,551
Accumulated impairment losses							
At 1 January	-	-	2,259	-	-	-	2,259
Write-offs	-	-	(1,842)	-	-	-	(1,842)
At 31 December	-	-	417	-	-	-	417
Net carrying amount							
At 31 December	1,673	133,388	36,931	220	29	7,148	179,389

Group 2024	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Furniture, fittings and equipment RM'000	Warehouse equipment RM'000	Total RM'000
Cost						
At 1 January	7,854	35,088	55,041	-	3,085	101,068
Transfers from property, plant and equipment	-	-	16	574	-	590
Transfers from land held for property development	-	114,377	26,115	-	-	140,492
Reclassification	(6,181)	6,181	-	-	-	-
At 31 December	1,673	155,646	81,172	574	3,085	242,150
Accumulated depreciation						
At 1 January	-	9,526	15,476	-	2,890	27,892
Charge for the financial year	-	1,731	1,594	-	150	3,475
Transfers from property, plant and equipment	-	-	1	243	-	244
Transfers from land held for property development	-	8,938	21,962	-	-	30,900
At 31 December	-	20,195	39,033	243	3,040	62,511

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. INVESTMENT PROPERTIES (cont'd)

Group 2024	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Furniture, fittings and equipment RM'000	Warehouse equipment RM'000	Total RM'000
Accumulated impairment loss						
At 1 January	-	-	-	-	-	-
Transfers from land held for property development	-	-	2,259	-	-	2,259
At 31 December	-	-	2,259	-	-	2,259
Net carrying amount						
At 31 December	1,673	135,451	39,880	331	45	177,380

Company 2025	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Total RM'000
Cost				
At 1 January/31 December	1,672	18,870	93,132	113,674
Accumulated depreciation				
At 1 January	-	6,040	48,813	54,853
Charge for the financial year	-	294	2,793	3,087
At 31 December	-	6,334	51,606	57,940
Net carrying amount				
At 31 December	1,672	12,536	41,526	55,734
2024				
Cost				
At 1 January/31 December	1,672	18,870	93,132	113,674
Accumulated depreciation				
At 1 January	-	5,747	46,019	51,766
Charge for the financial year	-	293	2,794	3,087
At 31 December	-	6,040	48,813	54,853
Net carrying amount				
At 31 December	1,672	12,830	44,319	58,821

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. INVESTMENT PROPERTIES (cont'd)

The fair value of the freehold and leasehold land and buildings of the Group and of the Company as at 31 December 2025 were RM424,639,000 (2024: RM422,361,000) and RM138,261,000 (2024: RM138,261,000) respectively.

The fair value was based on a valuation carried out by a registered valuer of professional valuer firm to reflect the market value by "comparison method" of valuation. This method estimates the value of a property by comparing it to the prices of similar properties sold in similar locations within a recent period of time.

The directors are of the opinion that the fair value did not fluctuate significantly at the reporting date based on the following key assumptions:

- Comparison of the Group's and of the Company's investment properties with similar properties that were listed for sale within the same locality or other comparable localities; and
- Enquiries from relevant property valuers and real estate agents on market conditions and changing market trends.

The direct operating expenses of investment properties represent quit rent and assessment, depreciation, insurance, upkeep of premises, and security expenses are as follows:

Group	2025 RM'000	2024 RM'000
- revenue generating	4,286	4,961
- non-revenue generating	583	682
	<hr/> 4,869	<hr/> 5,643
Company		
- revenue generating	3,828	3,790
- non-revenue generating	109	107
	<hr/> 3,937	<hr/> 3,897

5. LAND HELD FOR PROPERTY DEVELOPMENT

Group	2025 RM'000	2024 RM'000
Freehold/Leasehold land and buildings		
At 1 January	33,699	59,786
Additions	-	81,246
Transfers to investment properties	-	(107,333)
Write-offs	(68)	-
	<hr/> 33,631	<hr/> 33,699

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) RIGHT-OF-USE ASSETS

Group 2025	Leasehold land RM'000	Buildings RM'000	Laboratory equipment, plant and machinery RM'000	Total RM'000
Cost				
At 1 January	150,962	23,076	2,838	176,876
Additions	-	23,777	796	24,573
Termination of lease contracts	-	(3,580)	(127)	(3,707)
Lease modification	-	(43)	(6)	(49)
Derecognition upon expiry of lease contracts	-	(2,174)	(484)	(2,658)
Exchange adjustment	-	(938)	-	(938)
At 31 December	150,962	40,118	3,017	194,097
Accumulated depreciation				
At 1 January	28,115	12,764	982	41,861
Charge for the financial year	2,736	6,026	654	9,416
Termination of lease contracts	-	(2,609)	(53)	(2,662)
Lease modification	-	(5)	-	(5)
Derecognition upon expiry of lease contracts	-	(2,174)	(484)	(2,658)
Exchange adjustment	-	(746)	-	(746)
At 31 December	30,851	13,256	1,099	45,206
Net carrying amount				
At 31 December	120,111	26,862	1,918	148,891
2024				
Cost				
At 1 January	150,962	35,254	2,678	188,894
Additions	-	5,546	730	6,276
Termination of lease contracts	-	(1,163)	(570)	(1,733)
Lease modification	-	(465)	-	(465)
Derecognition upon expiry of lease contracts	-	(15,632)	-	(15,632)
Exchange adjustment	-	(464)	-	(464)
At 31 December	150,962	23,076	2,838	176,876

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (cont'd)

(a) RIGHT-OF-USE ASSETS (cont'd)

Group 2024	Leasehold land RM'000	Buildings RM'000	Laboratory equipment, plant and machinery RM'000	Total RM'000
Accumulated depreciation				
At 1 January	25,324	23,388	697	49,409
Charge for the financial year	2,791	6,680	599	10,070
Termination of lease contracts	-	(902)	(314)	(1,216)
Lease modification	-	(373)	-	(373)
Derecognition upon expiry of lease contracts	-	(15,632)	-	(15,632)
Exchange adjustment	-	(397)	-	(397)
At 31 December	28,115	12,764	982	41,861
Net carrying amount				
At 31 December	122,847	10,312	1,856	135,015

Company	Building	
	2025 RM'000	2024 RM'000
Cost		
At 1 January	-	436
Additions	454	-
Derecognition upon expiry of lease contract	-	(436)
At 31 December	454	-
Accumulated depreciation		
At 1 January	-	349
Charge for the financial year	91	87
Derecognition upon expiry of lease contract	-	(436)
At 31 December	91	-
Net carrying amount		
At 31 December	363	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (cont'd)

(b) LEASE LIABILITIES

As a lessee	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Lease liabilities				
- Current	6,531	4,254	87	-
- Non-current	22,925	8,491	283	-
	29,456	12,745	370	-

The changes in lease liabilities (fixed lease payment) is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Balance as at 1 January	12,745	14,746	-	94
Cash flows:				
Lease principal payment	(6,464)	(7,540)	(84)	(94)
Lease interest payment	(984)	(474)	(16)	(2)
Non-cash:				
Additions	24,573	6,276	454	-
Interest on lease liabilities (Note 28)	984	474	16	2
Termination of lease contracts	(1,149)	(551)	-	-
Lease modification	(45)	(101)	-	-
Exchange adjustment	(204)	(85)	-	-
Balance as at 31 December	29,456	12,745	370	-

The lease payments associated to short-term leases or leases of low-value assets are recognised as an expense on a straight-line basis over the lease term. No right-of-use assets and lease liabilities are recognised for these leases.

Total cash outflows for leases during the current financial period (including fixed, variable, short-term and low-value assets lease payments) of the Group and of the Company amounted to RM10,883,000 and RM103,000 (2024: RM10,463,000 and RM96,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

7. INTANGIBLE ASSETS

Group 2025	Goodwill RM'000	Trademark and licence RM'000	Total RM'000
At cost and net carrying amount			
At 1 January/31 December	1,972	600	2,572
2024			
At cost and net carrying amount			
At 1 January/31 December	1,972	600	2,572

(a) Impairment test for cash-generating unit ("CGU") containing goodwill

For the purpose of impairment testing, goodwill acquired in business combination has been allocated to the Group's CGU identified according to business segments as follows:

Group	2025 RM'000	2024 RM'000
Oil palm plantations	1,496	1,496
Manufacturing and trading	476	476
	1,972	1,972

(b) Key assumptions used in value-in-use calculations

The recoverable amount of the CGUs are determined based on value-in-use calculations using cash flow projections based on latest financial budgets approved by the management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the growth rate stated below. The key assumptions used for value-in-use calculations are as follows:

Gross margins	-	15.58% to 60.36%
Growth rates	-	3.62% to 6.64%
Discount rates	-	7.38% and 9.31%
Risk-free rate	-	3.34%

The following describes each key assumption on which the management has based its cash flow projections to undertake impairment testing of goodwill:

(i) Budgeted gross margins

The budgeted gross margins are based on the margin achieved in the year immediately before the budgeted year and are increased by growth rate to cater for expected improvements in efficiency.

(ii) Growth rates

The growth rates used are consistent with the long-term average growth rate for the respective industries.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

7. INTANGIBLE ASSETS (cont'd)

(b) Key assumptions used in value-in-use calculations (cont'd)

(iii) Discount rates

The discount rates used are pre-tax and reflect specific risks relating to the relevant sectors.

(iv) Risk-free rate

The risk-free rate is based on the yield on a 5-year Malaysian government bond rate at the beginning of the budgeted year.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use, the directors believe that no reasonable possible changes in any of the above key assumptions would cause the carrying values of respective CGUs to materially exceed their recoverable amounts.

8. INVESTMENTS IN SUBSIDIARIES

Company	2025 RM'000	2024 RM'000
Unquoted shares, at cost	437,241	437,241
Accumulated impairment losses	(526)	(526)
	<hr/>	<hr/>
	436,715	436,715

(a) Amounts owing by subsidiaries

The amounts owing by subsidiaries comprise:

Company	2025 RM'000	2024 RM'000
Non-current assets		
Loan	13,250	14,000
Current assets		
Loan	750	750
Non-trade balances	78	327
	<hr/>	<hr/>
	828	1,077

The loan to the subsidiary, Rennes Properties Sdn. Bhd. is unsecured and receivable within 20 years from first drawdown during the financial year and subject to an interest rate of 2.65% (2024: 2.65%) per annum below the bank's Base Lending Rate. Interest is calculated on a monthly rest and both principal and interest are repayable on a monthly basis. The current financial year's loan bears an effective interest rate between 3.95% and 4.20% (2024: 4.20%) per annum.

Non-trade balances represent unsecured advances which are interest-free, repayable on demand and expected to be settled in cash.

(b) Amounts owing to subsidiaries

The amounts owing to subsidiaries represent non-trade balances mainly comprise of expenses paid on behalf which are interest-free, repayable on demand and expected to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

8. INVESTMENTS IN SUBSIDIARIES (cont'd)

The subsidiaries, all of which are incorporated in Malaysia with principal place of business in Malaysia, except where indicated are as follows:

Subsidiaries of the Company	Effective equity interest		Principal activities
	2025 %	2024 %	
Lam Soon Edible Oils Sdn. Bhd.	99.8	99.8	Processing and refining of palm oil, manufacturing, marketing, sales, trading and distribution of refined palm oil products, cooking oil, soap and detergents, fats, margarine and other consumer products
Lam Soon Plantations Sdn. Bhd.	78.0	78.0	Cultivation of oil palms, processing and sale of crude palm oil and palm kernel
Rennes Properties Sdn. Bhd.	100.0	100.0	Letting out of properties
Lam Soon Commodities Sdn. Bhd.	100.0	100.0	Dormant (Under voluntary liquidation during the financial year 2026)
Lam Soon Food Industries Sdn. Bhd.	100.0	100.0	Dormant (Deregistered on 28 January 2026)
Lam Soon Distribution Sdn. Bhd.	100.0	100.0	Dormant (Deregistered on 28 January 2026)
Subsidiaries of Lam Soon Edible Oils Sdn. Bhd.			
Lam Soon Trading Sdn. Bhd.	99.8	99.8	Letting out of properties
LM Services Sdn. Bhd.	100.0	100.0	Provision of management services, hiring/recruiting workers and supplying manpower labour
*Silk Holdings Pte. Ltd. (incorporated in the Republic of Singapore)	100.0	100.0	Investment and property holding
Subsidiary of Silk Holdings Pte. Ltd.			
*Silk Vietnam Company Limited (incorporated in Vietnam)	100.0	100.0	Manufacturing of personal care and household products
Subsidiaries of Lam Soon Plantations Sdn. Bhd.			
*Pacific Oleochemicals Sdn. Bhd.	100.0	100.0	Manufacturing of distilled fatty acid, stearic acid, fractionated fatty acid and refined glycerine
LS Cyber DC Sdn. Bhd.	100.0	100.0	Letting out of properties

* Subsidiaries not audited by Forvis Mazars PLT.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

8. INVESTMENTS IN SUBSIDIARIES (cont'd)

The consolidated financial statements have been prepared using the merger method to account for the acquisition of Silk Holdings Pte. Ltd.. Merger reserve or merger deficit are determined as the difference between the cost of merger and nominal value of the share capital of the subsidiary acquired and recognised in the consolidated statement of financial position.

- (a) On 20 August 2024, the Company subscribed for 14,250,000 units of new ordinary shares for a cash consideration of RM57,000,000 in Rennes Properties Sdn. Bhd. ("RPSB"), a wholly-owned subsidiary of the Company. This transaction is to capitalised part of the total advance of RM82,000,000 owing by RPSB for the premium paid for the lease extension of industrial land held at Lot 95 of Petaling Jaya, Selangor.
- (b) Subsidiary that has material non-controlling interests

Details of the Group's subsidiary that has material non-controlling interests at the end of the reporting period are as follows:

Name of subsidiary	Proportion of ownership interests held by non-controlling interests		Profit allocated to non-controlling interests **		Carrying amount of non-controlling interests	
	2025	2024	2025	2024	2025	2024
			RM'000	RM'000	RM'000	RM'000
Lam Soon Plantations Sdn. Bhd.	22.00%	22.00%	25,656	26,264	128,602	120,251
Others			*	*	1,700	1,546
					130,302	121,797

* Amounts are negligible.

** Amounts before intra-group elimination.

Summarised financial information of the Group's subsidiary that has material non-controlling interests (amounts before intra-group elimination) is as follows:

	2025	2024
	RM'000	RM'000
<u>Lam Soon Plantations Sdn. Bhd. (Group)</u>		
Current assets	395,558	384,928
Non-current assets	299,970	304,790
Current liabilities	57,099	90,556
Non-current liabilities	28,938	27,638

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

8. INVESTMENTS IN SUBSIDIARIES (cont'd)

(b) Subsidiary that has material non-controlling interests (cont'd)

Summarised financial information of the Group's subsidiary that has material non-controlling interests (amounts before intra-group elimination) is as follows (cont'd):

	2025 RM'000	2024 RM'000
Revenue	961,444	882,524
Total income	39,463	40,952
Total expenses	(884,274)	(804,073)
Profit for the financial year	116,633	119,403
Other comprehensive income	-	3
Total comprehensive income for the financial year	116,633	119,406
Profit attributable to:		
- Owners of the Company	90,977	93,137
- Non-controlling interests	25,656	26,266
Profit for the financial year	116,633	119,403
Total comprehensive income attributable to:		
- Owners of the Company	90,977	93,139
- Non-controlling interests	25,656	26,267
Total comprehensive income for the financial year	116,633	119,406
Dividends paid to non-controlling interests	17,305	23,868
Net cash generated from operating activities	124,423	105,763
Net cash (used in)/generated from investing activities	(35,596)	30,002
Net cash used in financing activities	(80,408)	(116,484)
Effect of exchange rate changes	(956)	499
Net cash inflow	8,419	19,281

9. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unquoted shares, at cost	62,605	62,605	11,135	11,135
Group's share of results	116,511	94,818	-	-
	179,116	157,423	11,135	11,135

The amount owing by/(to) an associate represents trade receivables/payables which are subject to normal trade terms.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

9. INVESTMENTS IN ASSOCIATES (cont'd)

The associates, all of which are incorporated in Malaysia with principal place of business in Malaysia, are as follows:

Associate of the Company	Effective equity interest		Principal activities
	2025 %	2024 %	
*Southern Lion Sdn. Bhd.	50.0	50.0	Manufacturing of detergents and personal care products and trading of oral and personal care products
Associate of Lam Soon Plantations Sdn. Bhd.			
Dara-Lam Soon Sdn. Bhd.	38.8	38.8	Cultivation of oil palms, processing and sale of crude palm oil and palm kernel

*Associate not audited by Forvis Mazars PLT.

The associates are accounted for using equity method in the consolidated financial statements.

The Group does not have any share of the associates' contingent liabilities incurred jointly with other investor or any share of contingent liabilities that arise whereby the Group is severally liable for all or part of the liabilities of the associates.

The financial year of the associates end on 31 December.

Summarised financial information of the Group's material associates are set out below:

	2025 RM'000	2024 RM'000
Southern Lion Sdn. Bhd.		
Current assets	359,890	316,802
Non-current assets	89,869	83,156
Current liabilities	200,802	183,204
Revenue	906,836	850,375
Profit/Total comprehensive income for the financial year	67,402	43,909
Dividends paid	35,200	29,304

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

9. INVESTMENTS IN ASSOCIATES (cont'd)

Summarised financial information of the Group's material associates are set out below (cont'd):

Reconciliation of summarised financial information of the associate to the carrying amount of interest in the associate:

	2025 RM'000	2024 RM'000
Net assets	248,957	216,754
Proportion of ownership interest held by the Group	50%	50%
	124,479	108,377
Goodwill	135	135
	124,614	108,512
Dara-Lam Soon Sdn. Bhd. (Group)		
Current assets	79,890	63,297
Non-current assets	52,738	52,856
Current liabilities	18,001	15,072
Non-current liabilities	2,629	3,521
	135,657	119,222
Revenue	135,657	119,222
Profit/Total comprehensive income for the financial year	56,456	48,020
	42,048	55,188

Reconciliation of summarised financial information of the associate to the carrying amount of interest in the associate:

Adjusted net assets *	114,918	100,508
Proportion of ownership interest held by the Group	38.8%	38.8%
	44,588	38,997
Goodwill	9,914	9,914
	54,502	48,911

* Including share of net assets at 20% up to year 2004.

10. OTHER INVESTMENTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<i>Equity instruments designated at FVTOCI</i>				
Quoted shares	1,666	988	1,666	988
Unquoted shares	224	227	2	2
	1,890	1,215	1,668	990

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

11. DEFERRED TAX ASSETS

	Group	
	2025	2024
	RM'000	RM'000
At 1 January	5,059	5,478
Recognised in profit or loss	594	(401)
Exchange adjustment	(27)	(18)
At 31 December	5,626	5,059

The temporary differences on which deferred tax assets have been recognised are as follows:

	Group	
	2025	2024
	RM'000	RM'000
(Taxable)/Deductible temporary differences		
- Between net carrying amount and tax written down value of property, plant and equipment	(8,077)	(7,968)
- Provisions	8,914	8,750
- Unrealised profits on closing inventories	4,889	4,201
- Other temporary differences	(100)	76
	5,626	5,059

The following deferred tax assets have not been recognised:

	Gross amount		Unrecognised deferred tax assets	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Unabsorbed capital allowances	10,090	10,284	2,422	2,468

Deferred tax assets have not been recognised in respect of the above items as it is not probable that future taxable profits will be available against which they may be utilised.

The unabsorbed capital allowances do not expire under the current tax legislation.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

12. INVENTORIES

	Group	
	2025 RM'000	2024 RM'000
Raw materials	41,170	54,710
Work-in-progress	6,682	9,088
Finished goods	405,431	369,970
Consumables	17,522	20,028
Nursery stocks	7	137
	<hr/>	<hr/>
	470,812	453,933

The cost of inventories recognised as an expense in cost of sales by the Group amounted to approximately RM2,928,754,000 (2024: RM2,660,388,000).

13. BIOLOGICAL ASSETS

	Group	
	2025 RM'000	2024 RM'000
At fair value		
At 1 January	4,341	2,740
Fair value changes	(210)	1,601
	<hr/>	<hr/>
At 31 December	4,131	4,341
	<hr/>	<hr/>
Physical quantity (Metric tonnes)	5,637	4,406
Total output per annum (Metric tonnes)	133,746	121,345

The biological assets of the Group comprise oil palm fresh fruit bunches ("FFB") prior to harvest. The valuation model adopted by the Group considers the present value of the net cash flows expected to be generated from the sale of FFB.

To arrive at the fair value of FFB prior to harvest, the management considered the oil content of the unripe FFB and derived the assumption that the net cash flow to be generated from FFB prior to more than 15 days to harvest to be negligible, therefore quantity of unripe FFB on bearer plants of up to 15 days prior to harvest was used for valuation purpose. The net present value of cash flows is then determined with reference to the market value of crude palm oil at the date of harvest, adjusted for costs to sell at the point of harvest. Costs to sell, which include harvesting and transport cost, are deducted in arriving at the net cash flow to be generated.

The change in fair value of the biological assets in each accounting period is recognised in profit or loss.

The Group's biological assets were fair valued within Level 3 of the fair value hierarchy. Fair value assessments have been completed consistently using the same valuation techniques.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Gross trade receivables	368,342	341,069	-	-
Less:				
Impairment losses	(1,079)	(798)	-	-
	367,263	340,271	-	-
Other receivables	14,563	17,484	31	180
Deposits	5,295	5,641	77	72
Prepayments	2,658	3,808	63	21
	389,779	367,204	171	273

The currency exposure profile of trade receivables is as follows:

	Group	
	2025 RM'000	2024 RM'000
RM	322,308	271,788
United States Dollar ("USD")	45,327	68,221
Euro ("EUR")	-	501
Vietnamese Dong ("VND")	707	553
Singapore Dollar ("SGD")	-	6
	368,342	341,069

Trade receivables comprise amounts receivable from the sale of goods to customers and outstanding rentals receivable from tenants. The credit period granted for trade receivables is generally from pay in advance to 90 (2024: in advance to 90) days.

The currency exposure profile of other receivables and deposits is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
RM	16,281	19,085	108	252
USD	-	434	-	-
VND	3,577	3,606	-	-
	19,858	23,125	108	252

Other receivables and deposits which are unsecured and non-interest bearing together with prepayments arise from the normal business transactions of the Group and of the Company. Other receivables are due to be received within twelve months while the deposits are refundable upon demand.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

15. AMOUNT OWING BY IMMEDIATE HOLDING COMPANY

The amount owing by immediate holding company represents management fee charges and expenses paid on behalf which is interest free, subject to normal terms and receivable on demand and expected to be settled in cash.

16. AMOUNTS OWING BY/(TO) RELATED COMPANIES

Related companies in the financial statements refer to companies within the Lam Soon Cannery Private Limited group of companies.

(a) Amounts owing by related companies

The amounts owing by related companies comprise:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade balances	2,362	2,924	-	-
Non-trade balances	3,185	2,887	86	17
	5,547	5,811	86	17

Trade balances are subject to normal trade terms while the non-trade balances mainly comprise expenses paid on behalf which are unsecured, interest-free, receivable on demand and expected to be settled in cash.

The currency exposure profile of amounts owing by related companies is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
RM	4,513	4,386	86	17
USD	788	1,260	-	-
SGD	246	165	-	-
	5,547	5,811	86	17

(b) Amounts owing to related companies

The amounts owing to related companies comprise:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade balances	(15,592)	(15,034)	-	-
Non-trade balances	(762)	(1,175)	(1)	(18)
	(16,354)	(16,209)	(1)	(18)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

16. AMOUNTS OWING BY/(TO) RELATED COMPANIES (cont'd)

(b) Amounts owing to related companies (cont'd)

The currency exposure profile of amounts owing to related companies is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
RM	(15,674)	(15,366)	(1)	(18)
USD	(653)	(718)	-	-
SGD	(27)	(125)	-	-
	(16,354)	(16,209)	(1)	(18)

Trade balances are subject to normal trade terms while the non-trade balances mainly comprise insurance premium, management fee charges and rental expenses which are unsecured, interest-free, payable on demand and expected to be settled in cash.

17. SHORT TERM INVESTMENTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<i>Designated at FVTPL</i>				
- Managed fund	783,970	694,618	576,337	538,890

Short term investments represent investments in a highly liquid money market.

The fund is mainly designed to manage free cash flows and to optimise working capital so as to provide a steady stream of income returns.

18. DERIVATIVES

Derivatives outstanding at reporting date are as follows:

Group	Contract amount	Assets	Liabilities
2025	RM'000	RM'000	RM'000
Non-hedging derivatives:			
Forward currency contracts	168,155	2,411	586
2024			
Non-hedging derivatives:			
Forward currency contracts	250,376	378	3,199

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18. DERIVATIVES (cont'd)

Derivatives at financial year end are presented at gross for management monitoring purposes.

Forward currency contracts are used to manage the Group's anticipated transactions in USD, SGD and EUR. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with the anticipated currency transactions.

19. SHORT TERM DEPOSITS

The short term deposits are placed with licensed banks and have maturity periods of less than one year. The effective interest rates of these deposits ranged between 2.05% and 5.37% (2024: 2.35% and 5.28%) per annum.

These deposits are readily convertible to cash and have insignificant risk of change in value.

The currency exposure profile of short term deposits is as follows:

	Group	
	2025 RM'000	2024 RM'000
RM	44,952	59,062
USD	14,255	23,799
VND	9,548	7,568
	<hr/>	<hr/>
	68,755	90,429

20. CASH AND BANK BALANCES

The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
RM	58,723	31,389	177	161
USD	1,835	425	-	-
EUR	725	8	-	-
SGD	154	353	-	-
VND	576	171	-	-
Others	5	4	-	-
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	62,018	32,350	177	161

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

21. SHARE CAPITAL

	Group/Company	
	2025	2024
	RM'000	RM'000
Issued and fully-paid of 214,720,012 ordinary shares (no par value)		
At 1 January/31 December	214,720	214,720

Holders of ordinary shares are entitled to dividends as declared from time to time and have one vote per share at general meetings of the Company. All ordinary shares rank equally with respect to the Company's residual assets.

22. RESERVES

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Non-distributable:				
Capital reserve	196,909	196,909	-	-
Currency translation reserve	(5,103)	(2,157)	-	-
Equity investment reserve	(2,680)	(3,138)	848	387
Merger reserve	6,011	6,011	-	-
Distributable:				
Retained profits	1,657,527	1,513,683	874,528	840,785
	1,852,664	1,711,308	875,376	841,172

Capital reserve

The capital reserve relates to the Group's portion of bonus shares issued by its subsidiaries through the capitalisation of the subsidiaries retained profits.

23. DEFERRED TAX LIABILITIES

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
At 1 January	27,921	26,504	1,642	1,641
Recognised in profit or loss	1,539	1,417	(2)	1
At 31 December	29,460	27,921	1,640	1,642

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

23. DEFERRED TAX LIABILITIES (cont'd)

The deferred tax liabilities comprise:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Taxable/(Deductible) temporary differences:				
- between net carrying amount and tax written down value of property, plant and equipment and right-of-use assets	31,174	30,645	-	-
- between net carrying amount and tax written down value of investment properties	180	134	1,642	1,642
- other temporary differences	(1,894)	(2,858)	(2)	-
	29,460	27,921	1,640	1,642

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade payables	132,751	150,081	-	-
Other payables	20,379	15,915	70	66
Deposits	6,994	2,201	2,264	2,137
Accruals	175,976	159,663	2,688	2,623
Contract liabilities	5,577	4,634	-	-
	341,677	332,494	5,022	4,826

The currency exposure profile of trade payables is as follows:

	Group	
	2025 RM'000	2024 RM'000
RM	108,169	120,878
USD	10,260	13,707
EUR	8,176	10,808
VND	6,146	4,688
	132,751	150,081

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

24. TRADE AND OTHER PAYABLES (cont'd)

The currency exposure profile of other payables, deposits and accruals is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
RM	200,191	175,093	5,022	4,826
USD	1,234	1,117	-	-
EUR	29	34	-	-
VND	1,881	1,521	-	-
Others	14	14	-	-
	203,349	177,779	5,022	4,826

Trade payables represent amounts outstanding from trade purchases. The normal credit periods granted by the trade payables ranged between 7 and 90 (2024: 7 and 90) days.

25. BANK BORROWINGS

	Group	
	2025 RM'000	2024 RM'000
<u>Current</u>		
Unsecured:		
- Bankers' acceptance bearing effective interest rate between 3.27% and 3.68% (2024: 3.30% and 3.60%) per annum	13,267	31,047

26. REVENUE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<i>Revenue from contracts with customers</i>				
Sale of goods	3,531,737	3,239,653	-	-
<i>Other revenue</i>				
Rental income	9,848	9,879	7,002	6,610
Dividend income	8,411	8,309	126,469	148,928
Interest income	29	20	29	20
	3,550,025	3,257,861	133,500	155,558
<i>Timing of transfer of revenue recognition</i>				
- At a point in time	3,531,737	3,239,653	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

26. REVENUE (cont'd)

	Group	
	2025	2024
	RM'000	RM'000
<i>Disaggregation of revenue from contracts with customers</i>		
- Local sales	2,718,988	2,479,030
- Export sales	812,749	760,623
	3,531,737	3,239,653

27. COST OF SALES

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cost of goods sold	2,948,001	2,687,958	-	-
Direct operating expenses	7,947	8,827	3,937	3,897
	2,955,948	2,696,785	3,937	3,897

28. FINANCE COSTS

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Interest expenses on:				
- Bankers' acceptance	1,501	1,129	-	-
- Term loan	-	105	-	-
- Lease liabilities	984	474	16	2
	2,485	1,708	16	2

29. PROFIT BEFORE TAX

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Profit before tax is stated after charging:				
Auditors' remuneration	422	451	89	89
Bad debts written off	293	278	498	43
Depreciation of				
- property, plant and equipment	42,254	37,851	136	117
- investment properties	5,042	3,475	3,087	3,087
- right-of-use assets	9,416	10,070	91	87
Directors' fees				
- Directors of the Company				
- current financial year	1,249	2,158	514	538
- (over)/underprovision in prior financial year	(17)	270	-	270
- Directors of the subsidiaries	520	410	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29. PROFIT BEFORE TAX (cont'd)

Profit before tax is stated after charging (cont'd):

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors' remuneration				
- current financial year	16,231	21,156	-	-
- (over)/underprovision in prior financial year	(3,320)	1	-	-
Directors' post-employment benefits				
- defined contribution plan				
- current financial year	631	477	-	-
Director's gratuity				
- underprovision in prior financial year	2,500	-	2,500	-
Fair value loss on biological assets	210	-	-	-
Gratuity and retirement benefits	5,808	3,714	-	-
Impairment loss on trade receivables	523	215	-	-
Inventories written down	1,736	222	-	-
Inventories written off	1,905	1,486	-	-
Investment properties written off	272	-	-	-
Land held for property development written off	68	-	-	-
Lease expenses for short-term leases and low-value assets	3,435	2,449	3	-
Loss on foreign exchange				
- realised	30	28	-	-
- unrealised	2,137	-	-	-
Net fair value loss on derivatives	-	4,724	-	-
Other investment written off	-	22	-	22
Property, plant and equipment written off	1,276	351	4	-

and crediting:

Bad debts recovered	9	1	-	-
Fair value gain on biological assets	-	1,601	-	-
Fair value gain on short term investments	16,613	14,617	10,658	9,520
Gain on disposal of property, plant and equipment	361	319	-	35
Gain on foreign exchange				
- realised	3,860	1,776	-	-
- unrealised	-	2,052	-	-
Gain on termination and modification of lease contracts	105	43	-	-
Gross dividend income from				
- subsidiaries	-	-	100,458	125,967
- an associate	-	-	17,600	14,652
- other investments	25	15	25	15
- short term investments	9,377	10,426	8,386	8,294
Interest income from				
- fixed and short term deposits	4,532	3,667	29	20
- a subsidiary	-	-	588	1,663
Inventories written back	-	2,100	-	-
Net fair value gain on derivatives	4,645	-	-	-
Operating lease income from rental of properties	10,213	10,255	7,002	6,610
Reversal of impairment loss on trade receivables	242	480	-	-
Royalty income	1,914	1,926	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30. TAX EXPENSE

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Malaysian tax based on the results for the financial year:				
- current	70,877	67,080	2,497	2,814
- overprovision in prior financial year	(41)	(211)	-	(7)
	<hr/>	<hr/>	<hr/>	<hr/>
	70,836	66,869	2,497	2,807
Deferred tax:				
- relating to origination/(reversal) of temporary differences	398	2,316	(2)	1
- under/(over)provision in prior financial year	547	(498)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	945	1,818	(2)	1
	<hr/>	<hr/>	<hr/>	<hr/>
	71,781	68,687	2,495	2,808

The statutory tax rate applicable to the Company is 24% (2024: 24%). Taxation for other jurisdictions is calculated at rates prevailing in other jurisdictions.

Lam Soon Cannery Private Limited is the ultimate parent entity ("UPE") of a multinational group that falls within the scope of Pillar Two Rules (with annual consolidated revenues of at least Euro 750 million). The Pillar Two legislation has been enacted in jurisdictions where the Group operates, whereby it is effective in Singapore, Malaysia and Vietnam for the financial year 2025.

The Group has performed an assessment of its potential exposure to Pillar Two income taxes based on the relevant Group entities' financial information for the financial year 2025. Based on the Transitional Country-by-Country Report Safe Harbour assessment carried out, all jurisdictions in which the Group operates qualify for the Transitional Safe Harbour relief. Accordingly, there is no current tax expense in relation to Pillar Two for the Group.

The Group has also applied the exemption to recognise and disclose information about the deferred tax assets and liabilities related to Pillar Two income taxes.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30. TAX EXPENSE (cont'd)

The numerical reconciliations between the tax expense and the product of accounting profit multiplied by the applicable tax rate are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Accounting profit (excluding share of results in associates)	284,697	285,714	132,862	157,135
Tax at the applicable tax rate	67,661	68,421	31,887	37,712
Add/(Less):				
Tax effect of expenses not deductible in determining taxable profit	8,651	5,973	2,748	2,156
Tax effect of income not subject to tax	(4,991)	(5,010)	(32,140)	(37,053)
Utilisation of deferred tax assets not recognised previously	(46)	-	-	-
Deferred tax assets not recognised	-	12	-	-
	71,275	69,396	2,495	2,815
(Less)/Add:				
(Over)/Underprovision in prior financial year				
- current tax	(41)	(211)	-	(7)
- deferred tax	547	(498)	-	-
Tax expense for the financial year	71,781	68,687	2,495	2,808

31. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated based on consolidated profit for the financial year attributable to owners of the Company of RM240,468,265 (2024: RM230,046,764) and on 214,720,012 (2024: 214,720,012) number of ordinary shares in issue during the financial year. As there are no potential ordinary shares, the dilutive earnings per ordinary share is the same as basic earnings per ordinary share.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32. DIVIDENDS

	Company	
	2025 RM'000	2024 RM'000
Recognised as distribution to owners of the Company during the financial year in respect of the financial year ended:		
31 December 2025		
- First interim single-tier dividend of 25 sen per share	53,680	-
31 December 2024		
- First interim single-tier dividend of 15 sen per share	-	32,208
- Second interim single-tier dividend of 10 sen per share	-	21,472
- Final and special single-tier dividend of 5 sen per share and 15 sen per share respectively	42,944	-
31 December 2023		
- Final and special single-tier dividend of 5 sen per share and 10 sen per share respectively	-	32,208
	96,624	85,888
Net dividend per ordinary share (sen)	45.00	40.00

The directors now recommend the payment of a final single-tier dividend of 15 sen per share and a special single-tier dividend of 20 sen per share amounting to RM75,152,004 for the financial year ended 31 December 2025, subject to approval of the shareholders at the forthcoming Company's annual general meeting.

33. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Salaries, wages, allowances and bonuses				
- Executive directors	12,911	21,157	-	-
- Other employees	193,505	185,177	4,228	4,411
Gratuity and retirement benefits				
- Executive directors	2,500	-	2,500	-
- Other employees	5,808	3,714	-	-
Defined contribution plan - EPF contributions				
- Executive directors	631	477	-	-
- Other employees	20,993	19,580	508	530
Social security costs - SOCSO contributions	2,947	2,798	18	16
Other staff related benefits	6,090	4,469	151	174
	245,385	237,372	7,405	5,131

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

34. RELATED PARTY DISCLOSURES

- (a) The Company has a controlling related party relationship with its subsidiaries referred to in Note 8.
- (b) The Company also has related party relationship with the following related parties:
- (i) Associates as referred to in Note 9.
 - (ii) Immediate holding and related companies referred to in Notes 15 and 16.
 - (iii) Companies in which certain directors of the Company have financial interests.
- (c) In addition to information disclosed elsewhere in the financial statements, the Group and the Company have the following significant transactions with the related parties during the financial year:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Sales to				
- an associate	7,319	3,720	-	-
- related companies	20,360	21,141	-	-
Lease rental income from				
- a subsidiary	-	-	6,300	5,930
- related companies	3,394	3,388	276	254
Commission income from a related company	390	387	-	-
Interest income from a subsidiary	-	-	588	1,663
Royalty income from an associate	1,914	1,926	-	-
Management fees income from				
- immediate holding company	404	300	404	300
- subsidiaries	-	-	509	353
- related companies	672	641	345	238
Purchases from				
- an associate	913,985	851,100	-	-
- related companies	59,689	57,732	-	-
- a company in which a director of the Company has financial interest	-	3	-	-
Rental charged by				
- a related company	1,980	1,909	117	113
- immediate holding company	1,093	995	-	-
Management fees charged by				
- a subsidiary	-	-	253	181
- a related company	70	308	-	-
Settlement of insurance charges payable on behalf by a related company	9,638	8,449	131	121

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

34. RELATED PARTY DISCLOSURES (cont'd)

- (c) In addition to information disclosed elsewhere in the financial statements, the Group and the Company have the following significant transactions with the related parties during the financial year (cont'd):

Information regarding outstanding balances with the subsidiaries, associates, related companies and immediate holding company at financial year end arising from related party transactions are disclosed in Notes 8, 9, 15 and 16 respectively.

- (d) Compensation of key management personnel

Key management personnel are the persons who have authorities and responsibilities for planning, directing and controlling the activities of the Group or of the Company either directly or indirectly. This includes any director, whether executive or otherwise, of the Group and of the Company.

The remuneration of the directors during the financial year comprises:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors of the Company:				
Fees				
- current financial year	1,249	2,158	514	538
- prior financial year	(17)	270	-	270
Remuneration				
- current financial year	13,402	18,269	-	-
- prior financial year	(3,320)	1	-	-
Gratuity				
- prior financial year	2,500	-	2,500	-
	13,814	20,698	3,014	808
Post-employment benefits				
- defined contribution plan				
- current financial year	329	159	-	-
	14,143	20,857	3,014	808
Directors of the subsidiaries:				
Fees	520	410	-	-
Remuneration	2,829	2,887	-	-
	3,349	3,297	-	-
Post-employment benefits				
- defined contribution plan	302	318	-	-
	3,651	3,615	-	-
Total compensation	17,794	24,472	3,014	808

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. CAPITAL COMMITMENTS

	Group	
	2025 RM'000	2024 RM'000
Approved capital expenditure in respect of investment properties and property, plant and equipment not provided for in financial statements		
- contracted	111,431	16,363
- not contracted	102,555	99,582
	<u>213,986</u>	<u>115,945</u>

36. OPERATING LEASE ARRANGEMENTS

The Group as lessor

The Group entered into commercial property leases to earn rental income from its investment properties and property, plant and equipment.

These leases have remaining non-cancellable lease terms of average 1 to 11 years with an option to renew for a further 1 to 9 years. The lease includes a clause to enable a revision of the rental charge after the expiry dates, based on prevailing market conditions. The Group does not have any contingent rental arrangements.

The maturity analysis of rentals receivable under these non-cancellable leases are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
In the first year	9,941	9,919	6,889	6,979
In the second year	7,483	3,146	4,553	3,682
In the third year	12,643	1,302	2,367	1,815
In the fourth year	12,221	1,323	-	-
In the fifth year	10,385	1,323	-	-
After the fifth year	62,092	661	-	-
	<u>114,765</u>	<u>17,674</u>	<u>13,809</u>	<u>12,476</u>

37. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

2025 Group	At amortised cost RM'000	At FVTPL RM'000	At FVTOCI RM'000	Total RM'000
<u>Financial assets</u>				
Other investments	-	-	1,890	1,890
Trade and other receivables	387,121	-	-	387,121
Amount owing by immediate holding company	104	-	-	104
Amount owing by an associate	15,328	-	-	15,328
Amounts owing by related companies	5,547	-	-	5,547
Short term investments	-	783,970	-	783,970
Derivatives	-	2,411	-	2,411
Deposits, cash and bank balances	130,773	-	-	130,773
	<u>538,873</u>	<u>786,381</u>	<u>1,890</u>	<u>1,327,144</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

37. FINANCIAL INSTRUMENTS (cont'd)

(a) Classification of financial instruments (cont'd)

2025 Company	At amortised cost RM'000	At FVTPL RM'000	At FVTOCI RM'000	Total RM'000
<u>Financial assets</u>				
Other investments	-	-	1,668	1,668
Other receivables and deposits	108	-	-	108
Amount owing by immediate holding company	104	-	-	104
Amounts owing by subsidiaries	14,078	-	-	14,078
Amounts owing by related companies	86	-	-	86
Short term investments	-	576,337	-	576,337
Cash and bank balances	177	-	-	177
Total financial assets	14,553	576,337	1,668	592,558
Group	At amortised cost RM'000	At FVTPL RM'000	Total RM'000	
<u>Financial liabilities</u>				
Trade and other payables	336,100	-	-	336,100
Amount owing to an associate	146,925	-	-	146,925
Amounts owing to related companies	16,354	-	-	16,354
Bank borrowings	13,267	-	-	13,267
Derivatives	-	586	-	586
Total financial liabilities	512,646	586	-	513,232
Company				
<u>Financial liabilities</u>				
Other payables and accruals	5,022	-	-	5,022
Amount owing to a subsidiary	33	-	-	33
Amount owing to a related company	1	-	-	1
Total financial liabilities	5,056	-	-	5,056

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

37. FINANCIAL INSTRUMENTS (cont'd)

(a) Classification of financial instruments (cont'd)

2024 Group	At amortised cost RM'000	At FVTPL RM'000	At FVTOCI RM'000	Total RM'000
Financial assets				
Other investments	-	-	1,215	1,215
Trade and other receivables	363,396	-	-	363,396
Amount owing by immediate holding company	12	-	-	12
Amount owing by an associate	13,493	-	-	13,493
Amounts owing by related companies	5,811	-	-	5,811
Short term investments	-	694,618	-	694,618
Derivatives	-	378	-	378
Deposits, cash and bank balances	122,779	-	-	122,779
Total financial assets	505,491	694,996	1,215	1,201,702
Company				
Financial assets				
Other investments	-	-	990	990
Other receivables and deposits	252	-	-	252
Amount owing by immediate holding company	12	-	-	12
Amounts owing by subsidiaries	15,077	-	-	15,077
Amounts owing by related companies	17	-	-	17
Short term investments	-	538,890	-	538,890
Cash and bank balances	161	-	-	161
Total financial assets	15,519	538,890	990	555,399
Group				
Financial liabilities				
Trade and other payables	327,860	-	-	327,860
Amount owing to an associate	123,614	-	-	123,614
Amounts owing to related companies	16,209	-	-	16,209
Bank borrowings	31,047	-	-	31,047
Derivatives	-	3,199	-	3,199
Total financial liabilities	498,730	3,199	501,929	
Company				
Financial liabilities				
Other payables and accruals	4,826	-	-	4,826
Amounts owing to subsidiaries	51	-	-	51
Amounts owing to related companies	18	-	-	18
Total financial liabilities	4,895	-	4,895	

37. FINANCIAL INSTRUMENTS (cont'd)

(b) Fair value of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

The carrying amounts of the financial instruments of the Group and of the Company at the reporting date approximated or were at their fair values.

The carrying amounts of bank borrowings of the Group at the end of the reporting period approximated or were at their fair values.

The following summarises the methods used in determining the fair value of the financial instruments:

Financial assets and financial liabilities (non-derivative)

The fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Other investments

Fair value of quoted investments has been determined by reference to their quoted closing bid price at the reporting date. The fair value of unquoted investments has been estimated based on recoverable amount of the investment.

Short term investments

Fair value of short term investments has been determined by reference to the net assets value of the managed funds at the end of the reporting period as quoted by the fund managers.

Derivatives

Fair value of forward currency contracts has been determined by reference to current forward exchange rates for contracts with similar maturity profiles. Where the quoted market price are not available, fair values are based on management's best estimate and are arrived by reference to the market prices of another contract that is substantially similar.

The Group's financial instruments carried at fair value by level of fair value hierarchy in which the different levels have been defined are as follows:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

37. FINANCIAL INSTRUMENTS (cont'd)

(b) Fair value of financial instruments (cont'd)

2025 Group	Level 1 RM'000	Level 2 RM'000	Total RM'000
<u>Financial assets</u>			
Other investments	1,666	224	1,890
Short term investments	-	783,970	783,970
Derivatives	-	2,411	2,411
	1,666	786,605	788,271
<u>Financial liabilities</u>			
Derivatives	-	586	586
Company			
<u>Financial assets</u>			
Other investments	1,666	2	1,668
Short term investments	-	576,337	576,337
	1,666	576,339	578,005
2024 Group			
<u>Financial assets</u>			
Other investments	988	227	1,215
Short term investments	-	694,618	694,618
Derivatives	-	378	378
	988	695,223	696,211
<u>Financial liabilities</u>			
Derivatives	-	3,199	3,199
Company			
<u>Financial assets</u>			
Other investments	988	2	990
Short term investments	-	538,890	538,890
	988	538,892	539,880

There were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 throughout the financial year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's overall financial risk management objectives and policies are to ensure that the Group creates value and maximises returns to its shareholders.

Financial risk management is carried out through risk review, internal control systems, benchmarking the industry's best practices and adherence to the Group's financial risk management policies.

The Group has been financing its operations mainly through internally generated funds as well as borrowings from licensed financial institutions. Other than foreign currency forward contracts, the Group does not find it necessary to enter into derivative transactions based on its current level of operations.

The management of the Group monitors its financial position closely with an objective to minimise potential adverse effects on the performance of the Group. The management reviews and agrees on policies for managing each of these risks and they are summarised below. These policies have remained unchanged during the financial year.

(a) Credit risk

Credit risk arises when sales are made to customers on deferred credit terms.

The Group's exposure to credit risk is monitored on an ongoing basis through Group's management reporting procedures. The Group has its credit approvals and monitoring procedures in place to manage the credit risk exposure. The risk is managed through the application of the Group's extensive credit management procedures. This include the application of credit approvals whereby credit evaluations are performed on all customers requiring credit over a certain amount and period, adherence to credit limit, regular monitoring and follow up procedures by senior management.

The Group does not require collateral in respect of financial assets and considers the risk of material loss from the non-performance on the part of a financial counter-party to be negligible.

Loss allowance is measured at an amount equal to lifetime ECL. The ECL are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the financial year.

The ageing analysis of receivables at reporting date which are trade in nature is as follows:

Group 2025	Loss		Net RM'000
	Gross RM'000	allowance RM'000	
Not past due	279,605	-	279,605
1 to 30 days past due	76,085	-	76,085
31 to 60 days past due	22,032	-	22,032
More than 60 days past due	7,231	-	7,231
<i>Credit impaired</i>			
Individually impaired	1,079	(1,079)	-
	386,032	(1,079)	384,953

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Credit risk (cont'd)

Group 2025	Gross RM'000	Loss allowance RM'000	Net RM'000
<u>Included under receivables</u>			
Trade receivables	368,342	(1,079)	367,263
Amount owing by an associate	15,328	-	15,328
Amounts owing by related companies	2,362	-	2,362
	386,032	(1,079)	384,953
2024			
Not past due	266,250	-	266,250
1 to 30 days past due	63,466	-	63,466
31 to 60 days past due	18,606	-	18,606
More than 60 days past due	8,366	-	8,366
<i>Credit impaired</i>			
Individually impaired	798	(798)	-
	357,486	(798)	356,688
<u>Included under receivables</u>			
Trade receivables	341,069	(798)	340,271
Amount owing by an associate	13,493	-	13,493
Amounts owing by related companies	2,924	-	2,924
	357,486	(798)	356,688

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM105,348,000 (2024: RM90,438,000) that are past due at the reporting date but not impaired. These balances relate to a large number of diversified customers that have good track record with the Group and the directors are of the view that these receivables are recoverable.

The movements in the credit loss allowances of trade receivables are as follows:

	Group	
	2025 RM'000	2024 RM'000
At 1 January	798	1,063
Impairment loss recognised	523	215
Reversal of impairment loss	(242)	(480)
	1,079	798

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Credit risk (cont'd)

The Group invests its surplus cash safely and profitably by depositing them with reputable and creditworthy licensed financial institutions.

Cash and cash equivalents, other receivables, amounts owing by immediate holding company, subsidiaries and related companies and short term investments are subject to insignificant credit loss as management does not expect any losses arising from non-performance by these counterparties.

(b) Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk as a result of transactions denominated in currencies other than the functional currency of the Group. The Group's exposure to foreign currency exchange risk is monitored on an ongoing basis.

Certain subsidiaries entered into foreign currency forward contracts in the normal course of business in order to limit their exposure and to manage exposure to fluctuations in foreign currency exchange rates. These contracts are entered into with reputable licensed banks.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit after tax on the outstanding foreign currency denominated monetary items to a reasonably possible change in the USD, EUR and VND exchange rates against the functional currency of the Group at reporting date, with all other variables held constant:

		Group	
		2025	2024
		RM'000	RM'000
		Increase/ (Decrease)	Increase/ (Decrease)
USD/RM	- strengthened 5% (2024: 5%)	1,902	2,987
	- weakened 5% (2024: 5%)	(1,902)	(2,987)
EUR/RM	- strengthened 5% (2024: 5%)	(284)	(393)
	- weakened 5% (2024: 5%)	284	393
VND/RM	- strengthened 5% (2024: 5%)	242	216
	- weakened 5% (2024: 5%)	(242)	(216)

(c) Interest rate risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

The Group is exposed to interest rate risk in respect of its fixed and short term deposits placed with licensed banks and bank borrowings.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Interest rate risk (cont'd)

Interest rate risk arising from fixed and short term deposits placed, which are all short term in nature, is managed by sourcing for the highest interest rate in the market amongst reputable licensed banks after taking into account the duration and availability of funds for the operational financial requirements of the Group.

Interest rate risk arising from bank borrowings is subject to fixed interest rates spread above the banks' base lending rate.

At the reporting date, if interest rates had been 50 basis points higher/lower, with all other variables held constant, the Group's profit after tax would have been RM210,855 (2024: RM225,653) higher/lower, arising mainly as a result of lower/higher interest expense/income from floating rate borrowings and fixed and short term deposits placed. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Price risk

The Group is exposed to market risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market prices.

The Group is exposed to price risk arising from changes in value caused by movements in market price of its investments in quoted shares. The risk of loss is minimised via thorough analysis before investing and continuous monitoring of the performance of the investments. The Group optimises returns by disposing of investments only after thorough analysis.

(e) Cash flow and liquidity risks

Cash flow and liquidity risks are the risks that the Group will not be able to meet its financial obligations when they fall due. The Group's exposure to liquidity risk arises principally from its various payables and borrowings.

The Group seeks to ensure all business units maintain optimum levels of liquidity at all times, sufficient for their operating, investing and financing activities.

Therefore, the policy seeks to ensure that each business unit, through efficient working capital management (i.e. inventory, accounts receivable and accounts payable management), must be able to convert its current assets into cash to meet all demands for payment as and when they fall due.

The Group manages its working capital through preparation of cash flow forecast, assessment of customers' creditworthiness, prompt follow ups on overdue and slow paying customers, reviews of inventory holding, maintaining cordial relationships with suppliers, as well as obtaining short term credit facilities from the banks.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(e) Cash flow and liquidity risks (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

Group	On demand	1 to 5	More than	Total
	or within 1 year	years	5 years	
2025	RM'000	RM'000	RM'000	RM'000
<u>Financial liabilities</u>				
Trade and other payables	336,100	-	-	336,100
Amount owing to an associate	146,925	-	-	146,925
Amounts owing to related companies	16,354	-	-	16,354
Bank borrowings	13,267	-	-	13,267
Derivatives	586	-	-	586
	513,232	-	-	513,232
Lease liabilities	7,410	18,919	6,064	32,393
	520,642	18,919	6,064	545,625
2024				
<u>Financial liabilities</u>				
Trade and other payables	327,860	-	-	327,860
Amount owing to an associate	123,614	-	-	123,614
Amounts owing to related companies	16,209	-	-	16,209
Bank borrowings	31,047	-	-	31,047
Derivatives	3,199	-	-	3,199
	501,929	-	-	501,929
Lease liabilities	4,535	8,408	353	13,296
	506,464	8,408	353	515,225

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(e) Cash flow and liquidity risks (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

Company 2025	On demand or within 1 year RM'000	1 to 5 years RM'000	Total RM'000
<u>Financial liabilities</u>			
Other payables and accruals	5,022	-	5,022
Amount owing to a subsidiary	33	-	33
Amount owing to a related company	1	-	1
	5,056	-	5,056
Lease liabilities	98	301	399
	5,154	301	5,455
2024			
<u>Financial liabilities</u>			
Other payables and accruals	4,826	-	4,826
Amounts owing to subsidiaries	51	-	51
Amounts owing to related companies	18	-	18
	4,895	-	4,895

(f) Business risk

The Group is exposed to risk arising from fluctuations in the market prices of crude palm oil which are determined by constantly changing market forces of supply and demand, and other factors. The other factors include government policy, environmental regulations, weather conditions and diseases. The Group has little or no control over these conditions and factors.

39. CAPITAL MANAGEMENT

The Group's primary objectives when managing its capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to sustain the future development of the business.

The capital structure of the Group consists of total equity attributable to the shareholders of the Company, comprising share capital, reserves, retained profits and total debts, which consist of bank borrowings and lease liabilities.

The Group actively and regularly reviews and manages its capital structure. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid or issue new shares to shareholders. No changes were made in the objectives, policies or processes during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

39. CAPITAL MANAGEMENT (cont'd)

The Company provides financial support to certain subsidiaries to enable these subsidiaries to operate as going concern and to meet their liabilities as and when they fall due.

Total borrowings to capital ratios at the reporting date are as follows:

Group	2025 RM'000	2024 RM'000
Share capital	214,720	214,720
Reserves	1,852,664	1,711,308
	2,067,384	1,926,028
Non-controlling interests	130,302	121,797
Total equity	2,197,686	2,047,825
Bank borrowings	13,267	31,047
Lease liabilities	29,456	12,745
Total borrowings	42,723	43,792
Total borrowings to total equity (%)	1.94	2.14

40. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the board of directors on 25 May 2026.

STATEMENT BY DIRECTORS

Pursuant to Section 251 (2) of the Companies Act 2016

We, Whang Shang Ying and Khong Cheong Foo, being two of the directors of Lam Soon (M) Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements are drawn up 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 financial performance and cash flows of the Group and of the Company for the financial year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the board of directors in accordance with a directors' resolution.

WHANG SHANG YING
Director

KHONG CHEONG FOO
Director

25 May 2026

STATUTORY DECLARATION

Pursuant to Section 251 (1)(b) of the Companies Act 2016

I, Chau Sau Wei (MIA Member No.: 19122), being the officer primarily responsible for the financial management of Lam Soon (M) Berhad, do solemnly and sincerely declare that, to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly
declared by the above named
Chau Sau Wei
at Kuala Lumpur
in the Federal Territory
on this 25 May 2026

CHAU SAU WEI

Before me,

Commissioner of Oaths

Hj. Wan Azman bin Hj. Wan Abdullah (No.: W728)
Pesuruhjaya Sumpah
Kuala Lumpur

DIRECTORS OF SUBSIDIARIES OF THE COMPANY

The following is the list of directors who served on the boards of the subsidiaries since the beginning of the current financial year to the date of the Directors' Report:

<u>Name of Subsidiary</u>	<u>Name of Director</u>
1. Lam Soon Edible Oils Sdn. Bhd.	Mr. Whang Shang Ying Mr. Chua K Hong Mr. Khong Cheong Foo Mr. Lo Wye Kan (Alternate director to Mr. Khong Cheong Foo) Mr. Hang Peng Kwang (Ceased as alternate director to Mr. Whang Shang Ying on 15 July 2025)
2. Lam Soon Plantations Sdn. Bhd.	Mr. Whang Shang Ying Y. Bhg. Datuk Dr. Richard Sakian bin Gunting Ms. Chau Sau Wei
3. LM Services Sdn. Bhd.	Mr. Andrew Kok Kuan Ming Mr. Long See Boon
4. Rennes Properties Sdn. Bhd.	Mr. Whang Shang Ying Mr. Yong Chee Hoong Ms. Chau Sau Wei (Appointed on 15 February 2025) Mr. Ong Chong Lai (Resigned on 15 February 2025)
5. Lam Soon Commodities Sdn. Bhd. (Under voluntary liquidation)	Mr. Chua K Hong Ms. Chau Sau Wei
6. Lam Soon Food Industries Sdn. Bhd. (Deregistered on 28 January 2026)	Mr. Chua K Hong Ms. Chau Sau Wei
7. Lam Soon Distribution Sdn. Bhd. (Deregistered on 28 January 2026)	Mr. Whang Shang Ying Mr. Chua K Hong Ms. Chau Sau Wei
8. Lam Soon Trading Sdn. Bhd.	Mr. Chua K Hong Mr. Yee Chai Kin
9. Pacific Oleochemicals Sdn. Bhd.	Mr. Whang Shang Ying Y. Bhg. Datuk Dr. Richard Sakian bin Gunting Mr. Low Yin Peng
10. LS Cyber DC Sdn. Bhd.	Mr. Whang Shang Ying Mr. Yong Chee Hoong Ms. Chau Sau Wei (Appointed on 15 February 2025) Mr. Ong Chong Lai (Resigned on 15 February 2025)

DIRECTORS OF SUBSIDIARIES OF THE COMPANY (cont'd)

<u>Name of Subsidiary</u>	<u>Name of Director</u>
11. Silk Holdings Pte. Ltd.	Mr. Whang Shang Ying Mr. Chia Sze Kang
12. Silk Vietnam Company Limited	Ms. Luong Hoang Thi Yen Loan (General Director)

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No. of Shares Held:

FORM OF PROXY

I/We,..... NRIC/Passport/Company No.:
of
being a member/members of LAM SOON (M) BERHAD, hereby appoint:

Name..... NRIC/Passport No.:
of
(Full Address, Email Address & Mobile No.)

OR failing him/her

Name..... NRIC/Passport No.:
of
(Full Address, Email Address & Mobile No.)

OR failing him/her the Chairperson of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the 44th Annual General Meeting of the Company to be conducted entirely through live streaming from the Broadcast Venue at Meeting Room, Ground Floor, Wisma DLS, No. 6, Jalan Jurunilai U1/20, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan on **Tuesday, 23 June 2026 at 2:30 p.m.** and at any adjournment thereof.

My/Our proxy is to vote as indicated below:

Ordinary Resolutions		For	Against
1.	To approve the payment of a final single tier dividend of 15.0 sen per share in respect of the financial year ended 31 December 2025.		
2.	To approve the payment of a special single tier dividend of 20.0 sen per share in respect of the financial year ended 31 December 2025.		
3.	To approve the payment of Directors' fees for the financial year ended 31 December 2025.		
4.	To re-elect Yg. Bhg. Datin Shelina binti Razaly Wahi as a Director of the Company.		
5.	To re-elect Encik Shamsul Bahar bin Shamsudin as a Director of the Company.		
6.	To re-appoint Messrs. Forvis Mazars PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		

Please indicate with a "✓" in the appropriate space how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any Resolution, the proxy will vote as he thinks fit, or, at his discretion, abstain from voting.

Signed this day of 2026.

.....
Signature/Common Seal of Shareholder(s)

Email address	<input type="text"/>
Contact number	<input type="text"/>

NOTES:

- i) The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the Meeting to be physically present at the main venue of the Meeting in Malaysia.
Shareholders/proxies **WILL NOT BE ALLOWED** to attend this 44th Annual General Meeting ("AGM") in person at the Broadcast Venue on the day of the Meeting.
Shareholders are to attend, (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at this AGM via the Remote Participation and Electronic Voting ("RPEV") facilities provided by the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. ("Boardroom") via the Boardroom Smart Investor Portal ("BSIP") at <https://investor.boardroomlimited.com>.
- ii) A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy instead of him. A proxy need not be a member of the Company. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- iii) The instrument appointing the proxy must be deposited at Boardroom's office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or by electronic submission via the BSIP at <https://investor.boardroomlimited.com> (eProxy) not less than 24 hours before the time for holding the Meeting or any adjournment thereof.



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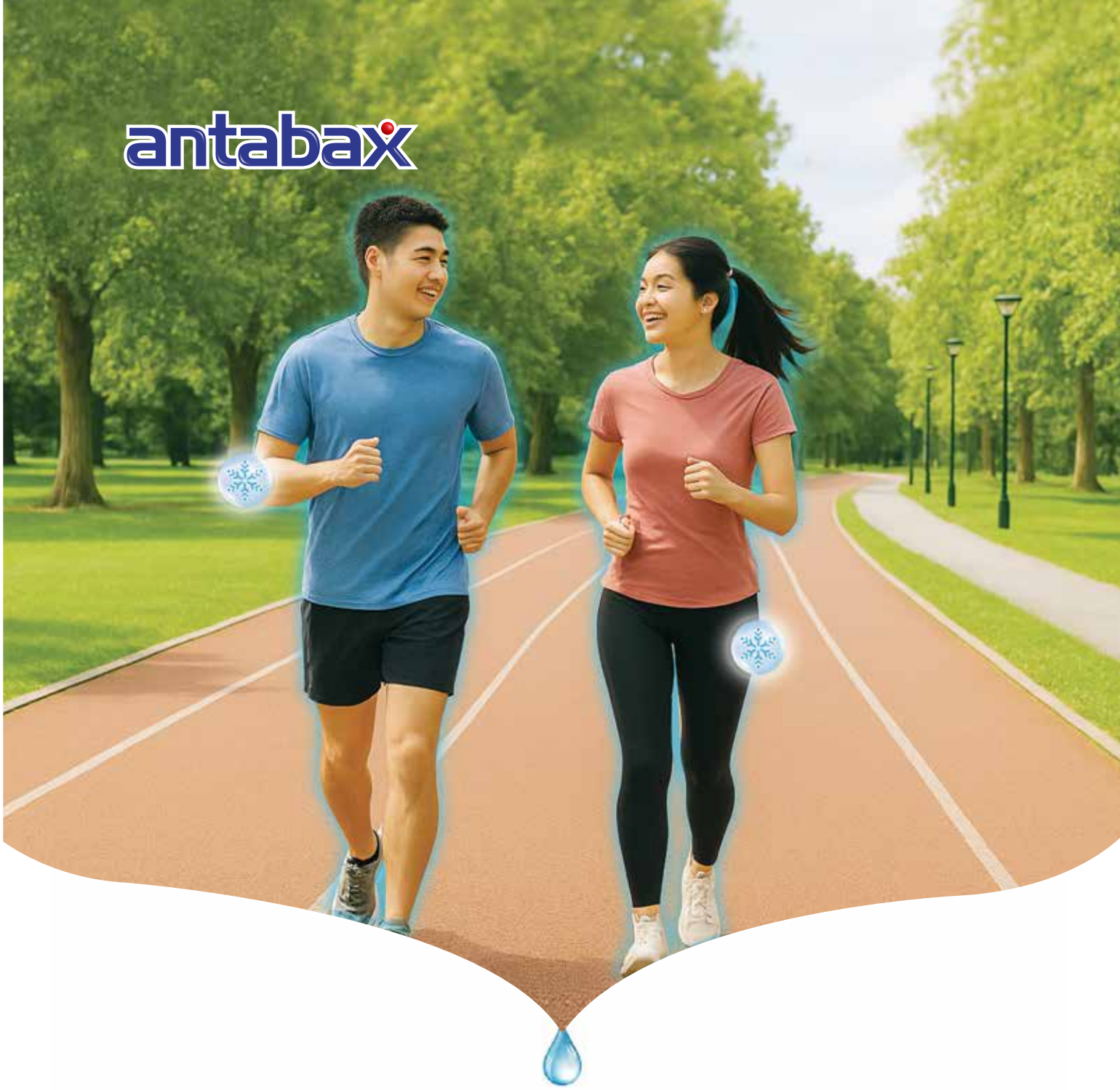
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STAMP

The Share Registrar of
LAM SOON (M) BERHAD
Registration No.: 198201004526 (84273-H)

Boardroom Share Registrars Sdn. Bhd.
Registration No.: 199601006647 (378993-D)
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan.

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5 Essential Vitamins



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