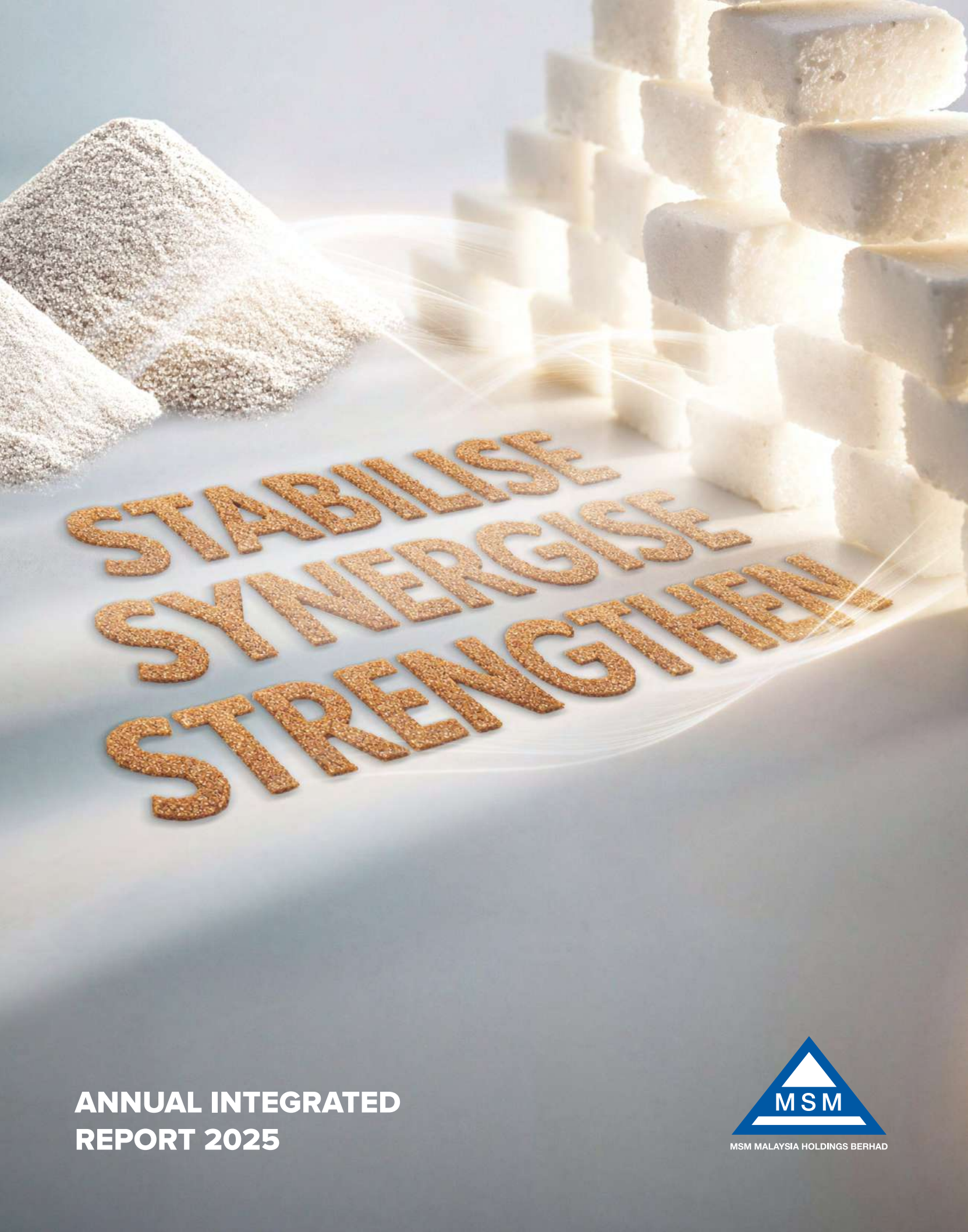
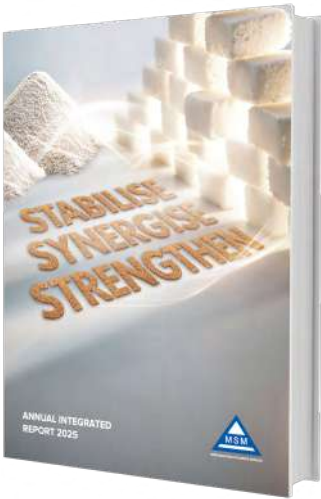




STABILISE
SYNERGISE
STRENGTHEN

**ANNUAL INTEGRATED
REPORT 2025**



Cover Rationale

The cover of our Annual Integrated Report 2025 translates MSM Malaysia Holdings Berhad's strategic priorities into a simple yet meaningful visual narrative rooted in our core product. The granulated sugar and sugar cubes represent the fundamentals of our business and the discipline behind consistent quality and delivery. The theme — “Stabilise. Synergise. Strengthen.” — symbolises a strategy built from the ground up. It is grounded in operational realities and focused on strengthening performance. The stacked sugar cubes reflect structure and resilience, signalling the building of stronger capabilities and foundations for sustainable progress, while the flowing light trail conveys connectivity and momentum across the Group, highlighting the power of integration and collaboration along our value chain. Together, these elements express our commitment to stabilising operations, synergising efforts across functions and stakeholders, and strengthening the organisation to deliver reliable outcomes and long-term value for our stakeholders.

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BASIS OF THIS REPORT

MSM Malaysia Holdings Berhad (MSM or the Company) is pleased to present our Annual Integrated Report (AIR or the Report) for the financial year (FY) ended 31 December 2025. References to the Group refer to the Company and its subsidiaries. This Report is designed to provide our stakeholders with comprehensive insight into our business strategy, performance and future prospects, framed by Environmental, Social and Governance (ESG) considerations. In advancing our aspiration of becoming a sustainably driven world-class organisation with a diversified food-related business portfolio, we seek to deliver stakeholder value over the short, medium and long term through objective and transparent disclosures.

SCOPE AND BOUNDARIES

This Report details the Group's financial and non-financial performance throughout 1 January 2025 to 31 December 2025 (FY2025). It includes all aspects of our Malaysian operations, notably within the Central and Southern regions. Alongside our performance, this Report also examines challenges to the business, along with opportunities and risks that may influence our value creation process.

REPORTING FRAMEWORKS AND STANDARDS

- Our reporting is aligned with these key standards:
- Bursa Malaysia Securities Berhad (Bursa Malaysia) Main Market Listing Requirements (Listing Requirements)
 - The Companies Act 2016
 - Bursa Malaysia's Management Discussion and Analysis Guidelines
 - Malaysia Code on Corporate Governance 2021 (MCCG 2021)
 - National Sustainability Reporting Framework (NSRF)
 - IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2)
 - GRI Universal Standards 2021
 - Task Force on Climate-related Financial Disclosures (TCFD)

MATERIALITY

The principle of materiality guides the assessment of information included in our Report. This Report focuses particularly on issues, opportunities and challenges that may materially impact MSM and our ability to be a sustainable business that consistently delivers value to our shareholders and stakeholders. These material issues are reviewed annually throughout the course of the strategic planning process.

COMBINED ASSURANCE

We apply a combined assurance model to manage various aspects of our business operations. The entire Annual Integrated Report has been vetted and approved by the Management and Board of Directors. The financial statements included in this Report have been audited by PricewaterhouseCoopers PLT, Malaysia. The Sustainability Statement has not been subjected to independent assurance. The Group will continue to strengthen our reporting processes and will evaluate the scope and timing of obtaining independent assurance in the future.

BOARD RESPONSIBILITY STATEMENT

MSM acknowledges its responsibility to ensure the integrity of this Report. We believe this Report addresses all material matters and provides a balanced view of MSM's strategy and its ability to create and preserve value in the short, medium and long term. We confirm that this Report has been prepared in accordance with the Bursa Malaysia Listing Requirements as well as the <IR> Framework, and has been authorised for release on 30 April 2026.

FEEDBACK

We greatly value your feedback as we continue to improve the quality of our reporting. For any feedback and enquiries regarding our reporting suite and the information presented, kindly reach out to our Investor Relations team at: investor.relations@msmsugar.com

FORWARD-LOOKING STATEMENTS

Throughout this Report, we use forward-looking statements that pertain to the plans, goals, strategies, and future performance of our organisation. These statements are not assurances of future performance, as they are subject to risks and assumptions within the context of potential scenarios. While we continue to pursue our strategies and plans, changes in macroeconomic and operating landscapes may require us to adapt accordingly.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGs)

As part of MSM's strategy, we have prioritised the following SDGs to ensure our business is environmentally, socially and economically sustainable:



BASIS OF THIS REPORT

NAVIGATE OUR REPORT

In this Report, the following navigation icons are designed to connect our six capitals, key stakeholders, strategic themes and enablers to material matters, risks and performance for ease of reference.

NAVIGATION ICONS



Find relevant information on our corporate website



Find relevant information in this Report

MATERIAL MATTERS

M1	Climate Action	M9	Community Engagement and Development
M2	Waste Management	M10	Governance, Ethics and Integrity
M3	Water Management	M11	Traceability, Responsible Sourcing and Supply Chain Management
M4	Renewable Energy and Energy Management	M12	Operational Performance
M5	Upholding Human Rights and Labour Standards	M13	Data Security and Protection
M6	Diversity, Equity and Inclusion	M14	Business Development and Product Quality
M7	Occupational Health and Safety		
M8	Employee Engagement and Talent Management		

STAKEHOLDERS

S1	Consumers and Customers	S4	Shareholders and Investment Community
S2	Employees	S5	Media, Non-Governmental Organisations and Communities
S3	Regulatory Agencies and Statutory Bodies	S6	Vendors, Suppliers and Industry Partners

KEY RISKS

R1	Strategic	R4	Operational
R2	Financial	R5	Geopolitical
R3	Market	R6	Catastrophe

OUR INTEGRATED REPORTING APPROACH

MSM's approach to integrated reporting is formulated in line with the Principle-based Framework of Integrated Reporting, comprising the Six Capitals, Seven Guiding Principles and Eight Content Elements established by the Value Reporting Foundation (VRF) and the International Financial Reporting Standards (IFRS). Hence, the contents of this Report have been prepared in accordance with:

SIX CAPITALS

F	Financial Capital	H	Human Capital
M	Manufactured Capital	S	Social & Relationship Capital
I	Intellectual Capital	N	Natural Capital

SEVEN GUIDING PRINCIPLES

- Strategic focus and future orientation
- Connectivity of information
- Conciseness
- Reliability and completeness
- Consistency and comparability
- Materiality
- Stakeholder relationships

EIGHT CONTENT ELEMENTS

- Organisational overview and external environment
- Governance
- Business model
- Risks and opportunities
- Strategy and resource allocation
- Performance
- Outlook
- Basis of preparation and presentation

OVERVIEW OF MSM

LARGEST STANDALONE
SUGAR REFINERY
IN MALAYSIA

MSM, Malaysia's leading refined sugar producer, has been listed on Bursa Malaysia's Main Market since 28 June 2011. The Group operates through two subsidiaries, MSM Prai Berhad (established in 1959) and MSM Sugar Refinery (Johor) Sdn Bhd (established in 2015), and is among the largest sugar refiners globally.

Produced
>1 million MT
of refined sugar products in 2025

One of
Malaysia's Top 10
leading fast-moving consumer goods (FMCG) brand*
* Based on Kantar's Brand Footprint Malaysia 2025, with 63.4% household penetration in FY2024.

Serving
>300
direct account
customers

PREMIUM
QUALITY SUGAR

Polarisation of
99.6%

ICUMSA
45

1,166
employees

Listed on the Main Market of Bursa Malaysia with a market capitalisation of

RM654 million
as at 31 December 2025

OVERVIEW OF MSM

With a combined annual refining capacity of 2.05 million metric tonnes (MT) across its two refineries, MSM Prai Berhad (MSM Prai) and MSM Sugar Refinery (Johor) Sdn Bhd (MSM Johor), the Group continues to optimise the operational efficiency and performance of MSM Johor to support future demand. In parallel, MSM Prai sustains operational excellence through efficient operations, while maintaining its role as the Group's primary production refinery with lower operating costs.

MSM produces, markets and sells refined sugar under its flagship brand, Gula Prai, upholding the promise of “Sweetening Lives Since 1964”. Serving both domestic and international markets, MSM caters to household consumers, small and medium industries (SMIs), major industries, regional traders, wholesalers and distributors.

VISION

To be a world-class and cost-efficient organisation driven by sustainability with a diversified portfolio in food-related business.

MISSION

We strive to enhance value for shareholders through efficient, innovative and customer-centric business execution. This is further amplified by value-added downstream and regional market growth throughout the food-related value chain. We uphold our commitment to sustainability values in four lenses: sustainable value creation, better planet, positive social impact and good governance.

CORE VALUES

S SENSE OF BELONGING
W WINNING ATTITUDE
I INTEGRITY
I INNOVATION
T TEAMWORK



OUR
SUBSIDIARIES

- MSM Prai Berhad
- MSM Sugar Refinery (Johor) Sdn Bhd
- MSM Logistics Sdn Bhd
- MSM Trading & Distribution Sdn Bhd



OUR
CUSTOMERS

- Malaysian households
- Beverage and confectionery companies
- Hotels
- Restaurants and food outlets
- Distilleries and producers of ethanol, animal feed and yeast



OUR
PRODUCTS

- White refined sugar of various grain sizes
- Soft brown sugar
- Liquid sugar
- Fine syrup
- Sugar premix
- Molasses

OUR VALUE CHAIN

PRODUCING HIGH QUALITY PRODUCTS

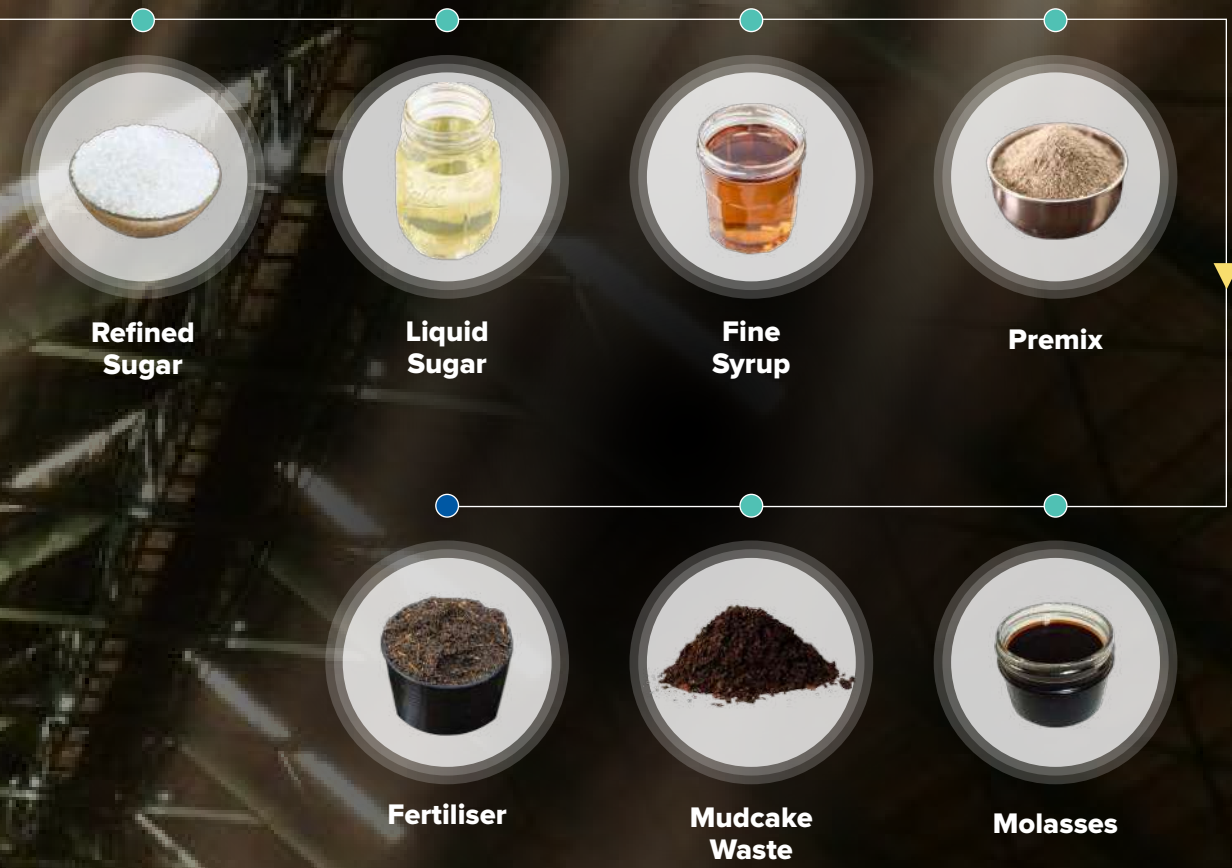
The Group focuses on midstream activities in the sugar value chain — namely sourcing, processing, marketing and distribution of refined sugar products, value-added sugar products and sugar refining by-products.

Through two established refineries in Penang and Johor, MSM produces premium-quality sugar with high sucrose content and is a preferred supplier to food and beverage manufacturers in both domestic and regional markets.

In addition to our flagship refined sugar products, the Group leverages on our expanded production capacities by also producing value-added sugar products such as liquid sugar, fine syrup, premixes, as well as molasses, a by-product of the sugar refining process. The Group continues to explore additional sustainable applications of mudcake, a sugar-refining waste product, beyond its established use as fertiliser, promoting circular economy practices.

RAW SUGAR

REFINERY



● Current ● Indirect

OUR BRAND PRODUCTS



Gula Prai is recognised as one of the Top 10 leading FMCG brands in Malaysia*

* Based on Kantar's Brand Footprint Malaysia 2025, with 63.4% household penetration in FY2024.

Legends:

- Sugar Grades
- Suggested Storage Conditions
- Packaging Size

Super Premium Sugar (Gula Super)



It is refined to an exceptional level, resulting in a pure, uniform white colour and enhanced sweetness. An ideal choice for use in all culinary creations, from confectionery to baking and beverages. Try this premium sugar today and experience the difference in taste and quality.

- Premium Refined Sugar, ICUMSA 40
- Keep sugar in a cool and dry place at ambient temperature
- 500g & 1kg

Coarse Grain Sugar



Here is a sugar product that you cannot miss! Available almost everywhere and at every retail outlet in Malaysia, this sugar delivers an excellent taste, making it the ideal sugar for general sweetening needs.

- Coarse Grain Sugar, P1, EP1
- Keep sugar in a cool and dry place at ambient temperature
- 1kg, 2kg, 25kg, 50kg, 500kg & 1,000kg

Fine Granulated Sugar



Another hot selling sugar product! Great to be enjoyed with your favourite beverage and for home food preparation.

- Fine Granulated Sugar, PXX, P1S, EPXX, EP1S
- Keep sugar in a cool and dry place at ambient temperature
- 1kg, 2kg, 25kg, 30kg, 50kg, 500kg, 1,000kg & Bulk

Soft Brown Sugar



Indulgent rich flavour with a subtle golden colour, robust aroma and moist texture. Our soft brown sugar is crafted through the perfect infusion of molasses, making it ideal for enhancing the taste of cookies, cakes and even coffee.

- Soft Brown Sugar, PB, P4
- Keep sugar in a cool and dry place at ambient temperature
- 500g, 25kg & 50kg

Caster Sugar



Popular with bakers as the fine crystals cream easily into butter and dissolve more readily into meringues and batters. Caster sugar adds more volume to baked products, giving them a lighter texture, a result preferred by bakers. It is also perfect to be lightly sprinkled over baked goods.

- Caster Sugar
- Keep sugar in a cool and dry place at ambient temperature
- 500g, 25kg, 50kg & 1,000kg

Icing Sugar



A versatile ingredient in sweet baked goods, sugar and chocolate confectionery, providing a smooth, soft finish texture. Ideal for a plethora of baked goods such as fillings, fondants and as a decorative touch to your baked masterpiece.

- Icing Sugar
- Keep sugar in a cool and dry place at ambient temperature
- 500g, 25kg, 40kg

Cube Sugar



Crafted from fine sugar, the Cube Sugar dissolves effortlessly, ensuring a smooth infusion of sweetness. Ideal for precise portion control, each 5g cube adds a touch of sophistication to teas or coffees, elevating the experience with simplicity and refined taste.

- Fine Granulated Sugar
- Keep sugar in a cool and dry place at ambient temperature
- 5g x 100 cubes

Quality Cup Pack Sugar



Sugar sachet offers a practical and convenient solution for individuals, businesses and food establishments to manage and provide sugar in a controlled, hygienic and efficient manner. Suitable for those who want to do portion control, easy to carry and use on-the-go.

- Fine Granulated Sugar
- Keep sugar in a cool and dry place at ambient temperature
- 5g x 100 sachets

OUR BRAND PRODUCTS



Liquid Sugar
High grade sugar syrup.

- Concentrated clear liquid
- Sugar should be kept in a clean and dry place at ambient temperature, away from direct sunlight
- Tanker



Fine Syrup
Similar to liquid sugar, deep brown colour in appearance.

- Concentrated clear liquid
- Store at least at room temperature as lower temperatures may cause crystallisation. Storage above 50°C may cause discolouration
- Tanker



Premix
Customisable sweetened products for industrial use.

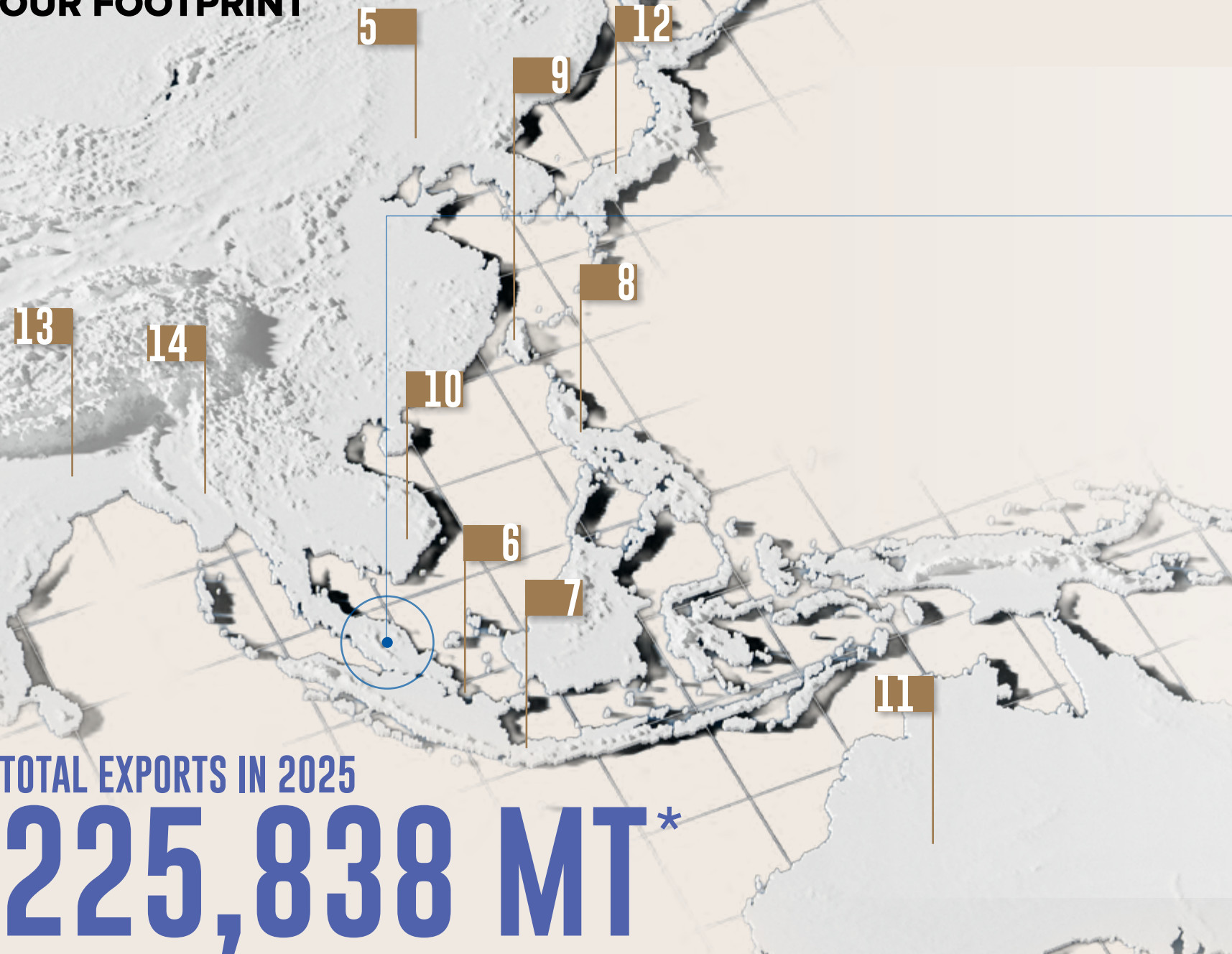
- Sweetened cocoa, glucose or milk preparation
- Keep in a clean and dry place at ambient temperature and away from direct sunlight
- 25kg



Molasses
The thick and dark brown liquid molasses is a by-product derived from the sugar refining process. MSM sells molasses to distilleries and producers of ethanol, animal feed and yeast.

- Molasses (liquid)
- Keep in a cool and dry place
- Ex-factory in customer's tanker

OUR FOOTPRINT

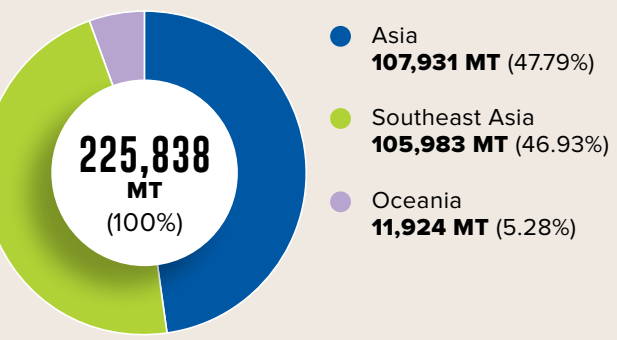


TOTAL EXPORTS IN 2025

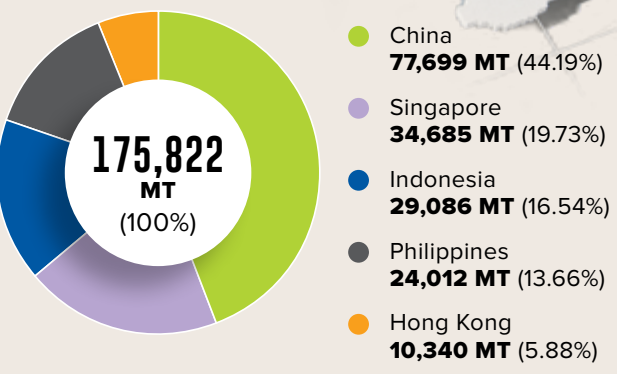
225,838 MT*

Note:
* Total export sales include sales of molasses.

Regional Breakdown



Top 5 Export Destinations



OUR FOOTPRINT

3

MSM Head Office
MSM Malaysia Holdings Berhad
201101007583 (935722-K)

2

Sungai Buloh Warehouse (SBW)
MSM Prai Berhad
195901000226 (3573-D)

1

MSM Prai
MSM Prai Berhad
195901000226 (3573-D)
Annual Refining Capacity:
1.05 million MT

4

MSM Johor
MSM Sugar Refinery (Johor)
Sdn Bhd
201501014132 (1139464-W)
Annual Refining Capacity:
1.00 million MT

GLOBAL REACH



OUR GROUP STRUCTURE

AS AT 31 MARCH 2026



OUR CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Syed Hisham Syed Wazir
Chairman/Independent Non-Executive Director

Datuk Dr Abd Hapiz Abdullah
Independent Non-Executive Director

Dato' Dr Suzana Idayu Wati Osman
Non-Independent Non-Executive Director

Nurul Muhaniza Hanafi
Non-Independent Non-Executive Director

Dato' Mohd Banuri Aris
Non-Independent Non-Executive Director

Tan Chee Beng
Independent Non-Executive Director
(appointed with effect from 12 September 2025)

Thanneermalai A/L SP SM Somasundaram
Independent Non-Executive Director
(appointed with effect from 12 September 2025)

Dato' Fakhrunniam Othman
Non-Independent Non-Executive Director
(resigned with effect from 28 February 2026)

Dato' Sri Muthanna Abdullah
Independent Non-Executive Director
(resigned with effect from 1 July 2025)

Choy Khai Choon
Independent Non-Executive Director
(retired with effect from 19 June 2025)

Low Chooi Hoon
Independent Non-Executive Director
(ceased with effect from 19 June 2025)

GROUP CHIEF EXECUTIVE OFFICER
Dr Mazatul 'Aini Shahar Abdul Malek Shahar
(appointed with effect from 4 February 2026)

Hasni Ahmad
(appointed as Acting Group Chief Executive Officer with effect from 3 July 2025 and ceased on 31 December 2025)

Syed Feizal Syed Mohammad
(resigned with effect from 3 July 2025)

CHIEF FINANCIAL OFFICER
Ab Aziz Ismail

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

Helpdesk: +603 7890 4700
Fax: +603 7890 4670
Email: BSR.Helpdesk@boardroomlimited.com

AUDITORS
PricewaterhouseCoopers PLT
(LLP0014401-LCA & AF 1146)
Chartered Accountants
Level 10, Menara TH 1 Sentral
Jalan Rakyat, Kuala Lumpur Sentral
P.O. Box 10192
50706 Kuala Lumpur, Malaysia

Tel: +603 2173 1188
Fax: +603 2173 1288
Website: www.pwc.com/my

COMPANY SECRETARY
Akmal Nazaruddin (LS0008220)
SSM Practising Certificate No. : 202008004440
(appointed with effect from 1 August 2025)

Azni Ariffin (LS0010610)
SSM Practising Certificate No. : 202008003324
(resigned with effect from 1 August 2025)

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia Securities Berhad
Listed since 28 June 2011
Stock Code: 5202
Stock Name: MSM

REGISTERED OFFICE
Level 21, Wisma FGV
Jalan Raja Laut
50350 Kuala Lumpur
Wilayah Persekutuan
Kuala Lumpur, Malaysia

Tel: +603 2789 0000
Fax: +603 2789 0001
Email : fgvsecretarial@fgvholdings.com

INVESTOR RELATIONS AND ENQUIRIES
Abdul Hadi Karim
Head of Corporate Strategy & Investor Relations
Level 44, Menara FELDA
Platinum Park, No.11
Persiaran KLCC, 50088 Kuala Lumpur, Malaysia

Tel: +603 2162 7900
Fax: +603 2181 5015
Website: www.msmsugar.com
Email: investorrelations@msmsugar.com

MSM SOCIAL MEDIA
ACCOUNTS


@gulaprai


MSMGULAPRAI TV


MSM Malaysia Holdings Berhad


MSM Gula Prai


@msmgulaprai

AWARDS AND ACCOLADES

- Corporate Reporting
- National Annual Corporate Report Awards (NACRA) 2025 – Silver Excellence Award for Companies with less than RM2 billion in Market Capitalisation
 - Australasian Reporting Awards (ARA) 2025 – Gold Award in ARA 2025 General Award
 - National Corporate Governance & Sustainability Awards (NACGSA) 2025 – Overall Excellence Award (Top 50)
- Occupational Safety & Health
- 43rd Malaysian Society on Occupational Safety & Health (MSOSH) Awards 2025
 - Gold Merit Award – MSM Prai Berhad
 - Gold Merit Award – MSM Prai Berhad (Sungai Buloh Warehouse)
 - Gold Class 1 Award – MSM Sugar Refinery (Johor) Sdn Bhd
 - Gold Glass 2 Award – MSM Logistics Sdn Bhd
 - MiSHA Asia Excellence Awards on OSH Principles of Prevention (OSHPoP) 2025
 - MiSHA National Road Traffic Safety Champion (Special Award)
 - MiSHA ASIA Golden Award on OSHPoP 2025
 - MiSHA ASIA Excellence Award on OSH Risk Management (Food & Beverages Manufacturing) 2025
 - MiSHA Excellence OSH Leadership Award 2025

(The above were all awarded to MSM Prai Berhad)



KEY EVENTS IN 2025

- | | | |
|-----|---------|---|
| JAN | 17 | MiSHA National Excellence Award on OSHPoP 2024 |
| FEB | 4 | Sungai Buloh Warehouse (SBW) & MSM Logistics Sdn Bhd (MSM Logistics) Blood Donation Drive |
| | 17 – 21 | Gulfood 2025 |
| | 27 | MSM Townhall 1H 2025 |
| | 28 | Project Stationeries to support Buku Jalan Chow Kit (BJCK) and Yayasan Chow Kit (YCK) |
| | 28 | MSM Prai River Cleaning Campaign |
| MAR | 7 | International Women's Day |
| | 13 | Zakat Wakalah contribution at Iftar Perdana UNITEN |
| | 24 | Zakat Wakalah contribution to Rumah Kebajikan Baitul Ehsan Al-Khairi |
| APR | 24 | MSM Prai contributed 50 Composting Drums to support Eco-Schools |
| | 29 | World OSH Day at MSM Johor |
| | 30 | World OSH Day at MSM Prai |
| MAY | 6 | First Collective Agreement (CA) Signing by MSM Logistics |
| | 24 | Mangrove Mania 2025 in conjunction with World Environment Day 2025 |
| | 30 | MSM Prai River Cleaning Campaign |
| JUN | 19 | MSM Malaysia Holdings Berhad's 14 th Annual General Meeting |
| | 24 | MSM Prai River Cleaning Initiative |
| JUL | 16 | Chief Integrity & Governance Officer (CIGO) Symposium 2025 |
| | 31 | Gula FELDA launch at Festival FGV Karnival Mega 3 Dimensi |
| AUG | 20 – 21 | FGV Innovation and Lean Six Sigma (LSS) Convention 2025 |
| SEP | 8 | Tree Planting Programme at Taman Eko Rimba Federal Land Development Authority (FELDA) |
| | 17 | Chairman Visit to MSM Prai |
| | 17 – 20 | Malaysia International Halal Showcase (MIHAS) |
| | 22 – 23 | Forklift Cadet Programme 3.0 |
| OCT | 7 | MSM Directors and Koperasi Permodalan FELDA Malaysia Berhad (KPF) delegates visit to SBW |
| | 14 – 15 | MSM Head Office Blood Donation Campaign |
| NOV | 1 | Tree Planting Programme at Tropical Rainforest Conservation and Research Centre |
| | 4 | MSM Townhall 2H 2025 |
| | 10 | Hi-Tea Zakat & Waqf Excellence Engagement 2025 |
| | 13 | 43 rd MSOSH Awards 2025 |
| | 27 | NACRA 2025 |
| DEC | 1 – 5 | Environment, Quality & Food Safety Week 2025 at MSM Prai |
| | 22 | MSM LSS Batch 5 Green Belt Ceremony |
| | 30 | MSM Directors Visit to MSM Johor |



CHAIRMAN’S STATEMENT

CHAIRMAN’S STATEMENT

In 2025, MSM’s ability to operate with discipline was tested amid sustained market pressure and uncertainty. As conditions evolved, the Board’s focus stayed on protecting the Group’s stability while keeping sight of our long-term responsibilities and obligations.

DATUK SYED HISHAM
SYED WAZIR
Chairman,
Independent Non-Executive
Director



PROTECTING THE GROUP’S STABILITY

We maintained close oversight in guiding Management as priorities were reassessed and adjusted to protect financial stability and continuity.

Operating Environment

The operating environment in 2025 continued to be challenging, shaped by a combination of macroeconomic moderation and pronounced industry-specific pressures. While global inflation eased and economic growth stabilised in several markets, elevated interest rates during the first half of the year continued to weigh on consumption and investment sentiment. For the food and beverage sector, demand conditions remained cautious, influencing downstream sugar consumption patterns.

At the domestic level, Malaysia’s economy was supported by resilient internal demand, although structural constraints within the sugar market persisted. Fixed pricing mechanisms, import flows and policy considerations shaped competitive conditions, requiring careful navigation by industry participants. In parallel, climate-related variability remained a background risk, reinforcing the need for operational preparedness despite relatively improved weather conditions compared with the prior year.

Within the global sugar industry, market dynamics shifted decisively during the year. Record production in major producing regions, particularly Brazil, alongside strong recoveries in Asia, resulted in a significant global surplus. This supply-led environment placed sustained downward pressure on raw sugar prices, amplifying volatility and compressing margins across the value chain. Currency movements and energy market fluctuations further influenced pricing dynamics and production decisions in key exporting countries.

Against this backdrop, the Board stayed closely engaged in overseeing MSM’s response to a complex and fluid environment, recognising that disciplined execution, financial balance and operational continuity were essential in sustaining the Group through ongoing uncertainty.

Revenue
RM3.09
billion

Loss before tax
RM375
million

CHAIRMAN’S STATEMENT

Key Achievements

In the year under review, the Board’s principal achievement was exercising sound judgment in the face of rapidly changing market conditions. As volatility intensified and underlying assumptions no longer held, we maintained close oversight in guiding Management as priorities were reassessed and adjusted to protect financial stability and continuity.

With the year unfolding against a materially weaker price and demand environment, the Group’s revenue declined to RM3.09 billion from RM3.54 billion, and the Group recorded a loss before tax of RM375 million versus a profit before tax of RM75 million in the prior year. The loss before tax was mainly due to the recognition of a non-recurring impairment during the year.

We also continued to strengthen our engagement with key stakeholders during the year. Constructive dialogue with relevant authorities and industry participants centred on discussions relating to import flows, domestic market conditions and regulatory considerations under the fixed pricing framework. These engagements enabled transparency and alignment on operating realities faced by domestic refiners. Throughout the year, we fulfilled our role within the domestic sugar ecosystem by maintaining supply continuity to customers.

MSM received external recognition across reporting quality, governance and workplace safety, reflecting continued focus on disclosure standards, governance practices and operational excellence.

Sustainability

In 2025, the Board continued to oversee sustainability matters through a dedicated Board Sustainability Committee, with emphasis on responsible sourcing, regulatory readiness and operational efficiency. At the operational level, we commenced a review of the Group Sustainability Policy, with the aim of strengthening its coverage of natural resource use, environmental management, labour standards, local community livelihoods, climate change, digital security and information technology (IT) governance.

Responsible sourcing was also an important area of focus for us. During the year, we continued with the No Deforestation, No People Exploitation (NDPE) Sugar framework through our raw sugar supplier, reinforcing expectations on responsible sourcing and traceability across the sugar supply chain. We remain committed to adhering to the NDPE Sugar framework which addresses key supply chain issues and support transparency and responsible business practices.

As a result of our consistent efforts, MSM has maintained its status as a constituent of the FTSE4Good Bursa Malaysia and FTSE4Good Bursa Malaysia Shariah Indices since 2023.

Governance

Integrity is the foundation of trust, resilience and long-term value creation at MSM. In 2025, we strengthened our governance capabilities and deepened our culture of ethical conduct through structured initiatives, leadership engagement and strategic collaboration.

A key milestone was the reintroduction of the MSM Integrity Pledge across the Group, achieving a 99% participation rate. Benchmarked against practices by the Malaysian Anti-Corruption Commission (MACC) and FGV Holdings Berhad (FGV), the pledge reaffirmed our collective commitment to integrity, ethical conduct and personal accountability. The active role of Governance Champions across our subsidiaries demonstrated that integrity at MSM is embedded at every level of the organisation.

We also extended our commitment beyond internal initiatives by participating in the CIGO Symposium 2025, co-organised with MACC, FELDA and FGV. The signing of the Corruption-Free Pledge underscored our alignment with national anti-corruption aspirations. This was complemented by an engagement session with the MACC Education Division and FELDA’s Integrity Department to explore collaborative integrity and anti-corruption training.

Progress under the Organisational Anti-Corruption Plan (OACP) continued during the year, providing a structured roadmap to identify and mitigate corruption risks. The implementation of an Integrity Survey in the fourth quarter of 2025 enabled us to assess our organisational standing and shape targeted improvements, supported by ongoing Corruption Risk Management review and integrity assessments.

Corporate Governance & Risk Management (CGRM) Roadshows were also conducted across key business units to reinforce governance expectations and promote consistent compliance practices.

In parallel, we enhanced Personal Data Protection governance through Personal Data Protection Act (PDPA) training and the establishment of a cross-functional taskforce. Throughout the year, MSM remained aligned with the Bursa Malaysia Listing Requirements, the Guidelines on Adequate Procedures and Section 17A of the MACC Act, with the T.R.U.S.T. principles firmly embedded within our governance framework.

As we advance, we remain steadfast in ensuring that integrity is not confined to policy, but reflected in everyday decisions, thereby sustaining stakeholder confidence and supporting MSM’s long-term growth.

Awards

During the year, MSM received external recognition across reporting quality, governance and workplace safety, reflecting continued focus on disclosure standards, governance practices and operational excellence.

In corporate reporting, we received a Silver Excellence Award at the National Annual Corporate Report Awards 2025 and a Gold Award at the Australasian Reporting Awards 2025. These recognitions reflect the quality, transparency and comprehensiveness of our disclosures, and our commitment to providing stakeholders with clear and meaningful reporting. In addition, MSM was recognised with the Overall Excellence Award (Top 50) at the National Corporate Governance & Sustainability Awards 2025, underscoring our corporate governance excellence among publicly listed companies in Malaysia.

Operationally, MSM’s safety performance and preventive practices were recognised through multiple awards at the 43rd Malaysian Society for Occupational Safety and Health Awards 2025, including four awards received across our refinery and logistics operations. We also received several accolades at the MiSHA Asia Excellence Awards on OSHPoP 2025, including recognition in leadership, risk management and principle-of-prevention categories.

CHAIRMAN’S STATEMENT

OUTLOOK

Looking ahead, the Board has endorsed MSM’s Business Plan 2026 to 2028 (BP28) as the framework guiding the next phase of the Group’s development. The plan is structured as a staged progression, beginning with recalibration, followed by balanced production and, subsequently, more deliberate capital deployment.

In a domestic market that shows signs of maturity, the focus over the medium term centres on strengthening earnings visibility and prudent cash flow management. Priority areas include tighter alignment between production and demand, greater emphasis on operational efficiency and a more selective approach to market participation, while directing reinvestment towards initiatives that enhance productivity and unit economics. In parallel, the external operating environment is expected to remain fluid, with heightened geopolitical tensions in the Middle East contributing to volatility in energy markets that may influence global sugar dynamics through tighter supply conditions, while also exerting pressure on fuel, logistics and other input costs.

The Board will continue to exercise close oversight over execution against this plan, with emphasis on financial prudence, operational performance and risk management, alongside ongoing engagement on policy and market conditions affecting the domestic sugar sector.

Acknowledgements

On behalf of the Board, I express our appreciation to the Ministry of Domestic Trade and Cost of Living and other relevant authorities for their engagement on matters affecting the sugar industry. I also thank our customers, suppliers and business partners for their continued cooperation throughout the year.

I acknowledge our shareholders, including the FELDA Group, FGV, KPF and Permodalan Nasional Berhad, for their confidence and continued commitment to MSM. I also record the Board’s appreciation to Syed Feizal Syed Mohammad, former Group Chief Executive Officer (Group CEO), and Hasni Ahmad, former Acting Group CEO and Group Chief Operating Officer (Group COO), for their contributions during their respective tenures. I welcome our new Group CEO, Dr Mazatul 'Aini Shahar Abdul Malek Shahar, who joined us in February 2026.

During the year, the Board saw several changes. Choy Khai Choon and Low Chooi Hoon completed their service as Independent Non-Executive Directors in June 2025, while Dato’ Sri Muthanna Abdullah stepped down in July 2025. The Board then appointed Thanneermalai A/L SP SM Somasundaram and Tan Chee Beng as Independent Non-Executive Directors in September 2025, reflecting its continued commitment to effective governance. Subsequent to the financial year-end, Dato’ Fakhruddin Othman stepped down from his position as Non-Independent Non-Executive Director.

Finally, I extend my sincere appreciation to Keluarga MSM for their professionalism, resilience and dedication throughout a demanding year.

IN CONVERSATION WITH OUR GROUP CHIEF EXECUTIVE OFFICER

We prioritised strengthening internal discipline, improving decision-making processes and aligning execution under the Stabilisation phase of Business Plan 2025 to 2027 (BP27). The actions taken during the year were designed to mitigate downside risks and position the Group on a firmer footing as we navigate ongoing market volatility.

DR MAZATUL 'AINI SHAHAR
ABDUL MALEK SHAHAR
Group Chief Executive Officer

IN CONVERSATION WITH OUR GROUP CHIEF EXECUTIVE OFFICER



STABILISATION OF CORE FUNDAMENTALS

We will therefore approach FY2026 with measured expectations, focused execution and a clear emphasis on financial resilience.

FY2025 unfolded in a demanding environment. How do you reflect on the year under review?

FY2025 was a challenging year for the Group, shaped by a difficult external environment and structural pressures across the industry. Global oversupply of refined sugar led to a sustained decline in the global benchmark for raw sugar futures (NY11) prices and compressed the global white premium, which in turn affected our average selling prices across Wholesale, Industry and Export customer categories. At the same time, a strengthening Ringgit and increased competition in the domestic market further intensified pricing pressure.

Against this operating context, the Group's revenue declined to RM3.09 billion in FY2025 compared to RM3.54 billion in the previous year. Given the prevailing price environment, the Group prioritised margin preservation by adopting a structured sales strategy and moderating volumes to optimise profitability.

The Group recorded a loss before tax of RM375 million in FY2025, compared with a profit before tax of RM75 million in FY2024. The performance was impacted by the challenging market environment as well as a significant impairment recognised during the year.

Operationally, the Group's utilisation factor (UF) moderated to 49% as production was carefully aligned to demand requirements and inventory management objectives. This approach was aimed at preserving margins and protecting cash flow.

In many respects, FY2025 marked a reset year for MSM. The focus shifted away from expansion towards stabilisation, with priority placed on strengthening internal processes, improving decision-making and aligning execution under the Stabilisation phase of BP27. Actions taken during the year were intended to contain downside risks and position the Group on a firmer footing amid ongoing market volatility.

IN CONVERSATION WITH OUR GROUP CHIEF EXECUTIVE OFFICER

As you step into the role, where is your focus for FY2026?

Upon assuming the role in February 2026, my immediate priority is to stabilise the business, arrest further earnings deterioration and refocus the organisation on disciplined execution. In a commodity-driven business, performance must be anchored on commercial discipline, margin protection and prudent cash management.

For FY2026, we are focused on restoring rigour across the Group’s core operating levers. This includes aligning production more closely to demand, improving revenue quality and sales mix, and strengthening margin management to support cash generation and liquidity resilience.

We are also tightening expenditure and capital allocation discipline, with resources prioritised towards regulatory requirements, operational reliability and initiatives with clear commercial impact. At the same time, we are sharpening working capital management, avoiding unnecessary inventory build-up and improving overall execution discipline across the Group.

In parallel, we are reprioritising key strategic initiatives and strengthening governance, accountability and approval discipline to improve speed of execution. Overall, FY2026 is about stabilisation, focused execution and restoring financial resilience.



The priority for FY2026 is clear: stabilise the business, protect cash and execute with discipline.

IN CONVERSATION WITH OUR GROUP CHIEF EXECUTIVE OFFICER

What progress was made in strengthening the Group’s commercial and export positioning?



This included increasing our focus on value-added sugar products, which achieved stronger growth compared with the previous year and commanded relatively better margins. Sales into select markets, including China, contributed to this shift in mix and supported a more disciplined commercial profile.

Domestically, pricing pressure remained acute, particularly within the Industry customer category. We therefore prioritised customer portfolio management and pricing control to mitigate the impact of lower average selling prices. The objective was to protect the contribution per MT rather than expand volumes indiscriminately.

Operationally, the Group also refined customer and channel allocation across its production network to improve supply-demand matching, support execution efficiency and strengthen overall commercial resilience.



In FY2025, the Group’s commercial strategy was guided by the need to balance market presence with financial prudence. Total sales volume stood at 1.03 million MT compared with 1.06 million MT in 2024, reflecting a more competitive pricing environment. Export volumes excluding molasses amounted to 216,038 MT (FY2024: 243,623 MT), as exports were moderated throughout the year when necessary to preserve margins amid weaker global white premiums.

Rather than pursuing volume growth at compressed spreads, we adopted a more selective approach to export execution.

How is MSM working with industry stakeholders to ensure long-term sustainability of the sector?

As a key player in Malaysia’s sugar refining industry, MSM continues to engage constructively with relevant stakeholders to support the long-term sustainability of the sector. The industry operates within a regulated framework that balances affordability for consumers with the need to ensure the continued viability of local producers and national food security objectives.

During the year, MSM maintained ongoing discussions with the Government to progress a sustainable pricing framework. The objective is to ensure that the industry structure remains resilient amid global price volatility, import competition and currency fluctuations, while preserving supply reliability for the domestic market.

These engagements are approached from an institutional perspective, centred on maintaining industry stability and safeguarding Malaysia’s refining capability. A sustainable operating environment is essential not only for commercial viability but also for ensuring continuity of supply and long-term investment in refining capacity.

IN CONVERSATION WITH OUR GROUP CHIEF EXECUTIVE OFFICER



As you look ahead, what are the Group’s priorities for FY2026 and beyond?

Looking ahead to FY2026, we expect market conditions to remain fluid. Global supply dynamics, pricing volatility and currency movements will continue to influence margins across the refining industry, with the US-Iran conflict contributing to volatility in energy markets. This in turn may tighten global sugar supply as higher oil prices may lead producers to divert sugarcane towards biofuel production. Competitive intensity in the domestic market is also likely to persist, requiring continued rigorous commercial control and operational agility.

Against this backdrop, our priorities are clear. We will continue to strengthen cost management, optimise production planning and maintain tight control over working capital. Utilisation will be aligned to market demand and margin visibility rather than volume targets. At the same time, we will refine our commercial mix, with greater emphasis on value-added products and selective export opportunities where risk-adjusted returns are appropriate.

Under BP28, the focus remains on stabilisation and strengthening core fundamentals. This includes reinforcing governance processes, sharpening capital allocation frameworks and ensuring that major initiatives are sequenced prudently. While near-term visibility remains constrained, the measures implemented in FY2025 provide a more structured base from which to pursue gradual performance improvement.

Progress will depend not only on internal execution but also on the trajectory of global pricing and industry conditions. We will therefore approach FY2026 with measured expectations, focused execution and a clear emphasis on financial resilience.

GROUP FINANCIAL REVIEW

OVERVIEW

2025 IN SUMMARY

FY2025 unfolded against a markedly different market backdrop compared to the prior year. Following the strong price environment experienced in late 2024, global raw sugar prices corrected sharply during the year as benchmark NY11 levels declined significantly. This rapid downward movement, combined with increased availability of imported refined sugar in the domestic market, exerted pressure on average selling prices and sales volumes.

Against this backdrop, Management prioritised liquidity preservation, tighter procurement governance and disciplined cost control. Our key priorities included ensuring production was closely aligned with demand levels, supported by closer oversight of raw sugar procurement and a structured back-to-back purchasing approach for selected customer categories, as well as operating expenditure adjustments in line with activity levels.

While FY2025 reflects the impact of a sharp market correction, the actions undertaken during the year strengthened financial rigour and provide a clearer base for execution as pricing dynamics normalise.

STATEMENT OF COMPREHENSIVE INCOME

REVENUE	
The Group recorded revenue of RM3.09 billion in FY2025, representing a decrease of 12.7% from RM3.54 billion in FY2024. The decline was primarily attributable to 10% lower average selling prices (ASP) and moderated sales volumes across key customer categories. Total sales volume declined 3% to 1.03 million MT compared to 1.06 million MT in the preceding year.	Wholesale volume remained relatively stable, given the essential nature of household consumption, although pricing remained regulated under the ceiling price mechanism. The Group continues to engage with relevant authorities on the sustainability of the pricing framework to ensure the long-term viability of domestic refining operations.
Average selling prices softened during the year in line with the significant correction in global raw sugar benchmark prices. The rapid decline in NY11 levels from the second quarter onward translated into downward pricing adjustments across both domestic and export channels. The contraction in white premiums further reduced export margins, prompting the Group to scale back export volumes where economics were unfavourable.	Overall, revenue performance in FY2025 reflects a market adjustment phase following the elevated pricing environment experienced in the preceding year. Management responded by aligning production levels with demand and exercising greater control in contract selection, particularly within the export customer category.
Total sales volume for the year declined marginally compared to FY2024, reflecting softer offtake from the Industry customer category and lower export shipments. Domestic demand was influenced by heightened availability of imported refined sugar, which intensified pricing competition in certain customer categories. In response, the Group maintained pricing discipline and prioritised margin quality over volume growth.	The Group recorded revenue of RM3.09 billion in FY2025

GROUP FINANCIAL REVIEW

PROFITABILITY

Gross profit for FY2025 declined to RM134 million from RM216 million in FY2024, reflecting the combined impact of lower average selling prices and reduced sales volumes. Gross margin compression was primarily driven by the sharp correction in global sugar prices, which affected realised margins on previously procured raw sugar inventory.

During the year, the rapid decline in benchmark prices resulted in inventory procured at earlier cost levels relative to prevailing market prices, leading to a temporary compression in margins. This dynamic affected industry participants broadly and was not unique to the Group.

In line with moderated sales demand and lower export economics, production volumes were adjusted accordingly. While it was necessary to protect working capital and avoid excess inventory accumulation, lower utilisation levels impacted unit refining costs. The contraction in white premiums further reduced export contribution, reinforcing the Group’s decision to prioritise margin preservation over volume expansion.

Loss before taxation for the financial year amounted to RM375 million compared to a profit before taxation of RM75 million in FY2024. Included within this figure was a non-cash impairment of non-financial assets amounting to RM360 million, undertaken

following a reassessment of future cash flow assumptions in light of current market conditions and utilisation levels. The impairment aligns the carrying value of certain assets with updated operating realities and enhances balance sheet transparency.

Excluding the impairment, the Group’s underlying operating performance reflects the impact of market correction and heightened competition during the year, partially mitigated by ongoing cost optimisation initiatives and tighter procurement governance implemented from mid-2025 onward.

FINANCE COSTS AND GEARING RATIO

As at 31 December 2025, total borrowings stood at RM855 million compared to RM894 million in FY2024 due to lower term loan balances.

Net gearing ratio increased to 40% from 34% in FY2024, primarily due to lower equity from the reported loss and impairment recognised during the year. Finance costs fell to RM41 million compared to RM44 million in FY2024, reflecting lower prevailing financing rates during the year. Cash and bank balances stood at RM194 million at year end. Liquidity management remained a priority throughout the year, with tighter working capital controls and calibrated production planning to manage inventory exposure amid volatile commodity pricing.



GROUP FINANCIAL REVIEW

TAXATION

For FY2025, the Group recorded a tax expense of RM21 million compared to a tax expense of RM43 million in FY2024. The effective tax rate for the year was a positive 6% compared to minus 57% in FY2024. This effective tax rate is higher than the Malaysian income tax rate of minus 24% due to loss recorded and deferred tax assets not recognised in a subsidiary.

The Group recorded a tax expense of
RM21 million
in FY2025

OUTLOOK

The operating environment for the sugar refining industry is expected to remain competitive in FY2026, shaped by global supply dynamics, regional trade flows and domestic regulatory considerations. International benchmark prices are projected to stabilise at lower levels relative to the volatility experienced in FY2025, which is expected to support more predictable procurement planning and margin recovery as higher-cost inventory is gradually blended down.

Domestically, the availability of imported refined sugar and developments surrounding Approved Permit allocations will continue to influence pricing dynamics. The Group remains actively engaged with the relevant authorities to support the development of a sustainable pricing framework that balances food security objectives with industry viability.

Operationally, the Group will maintain disciplined production alignment with demand requirements and continue the stricter raw sugar procurement governance implemented in mid-2025. Back-to-back purchasing for Industry and Export customer categories will remain a key control mechanism to mitigate exposure to price volatility, while Wholesale demand will continue to be forecast and managed through calibrated inventory positioning.

Cost optimisation initiatives will continue into FY2026, with emphasis on production efficiency, energy utilisation and working capital management. While operating expenditure reductions achieved in FY2025 limit further short-term cost compression, Management remains focused on preserving liquidity and strengthening unit economics.

Although recovery will be gradual and subject to market conditions, the structural actions undertaken during FY2025 have positioned the Group to benefit from improved raw sugar pricing dynamics, tighter procurement controls and a more balanced supply environment.



FINANCIAL PERFORMANCE

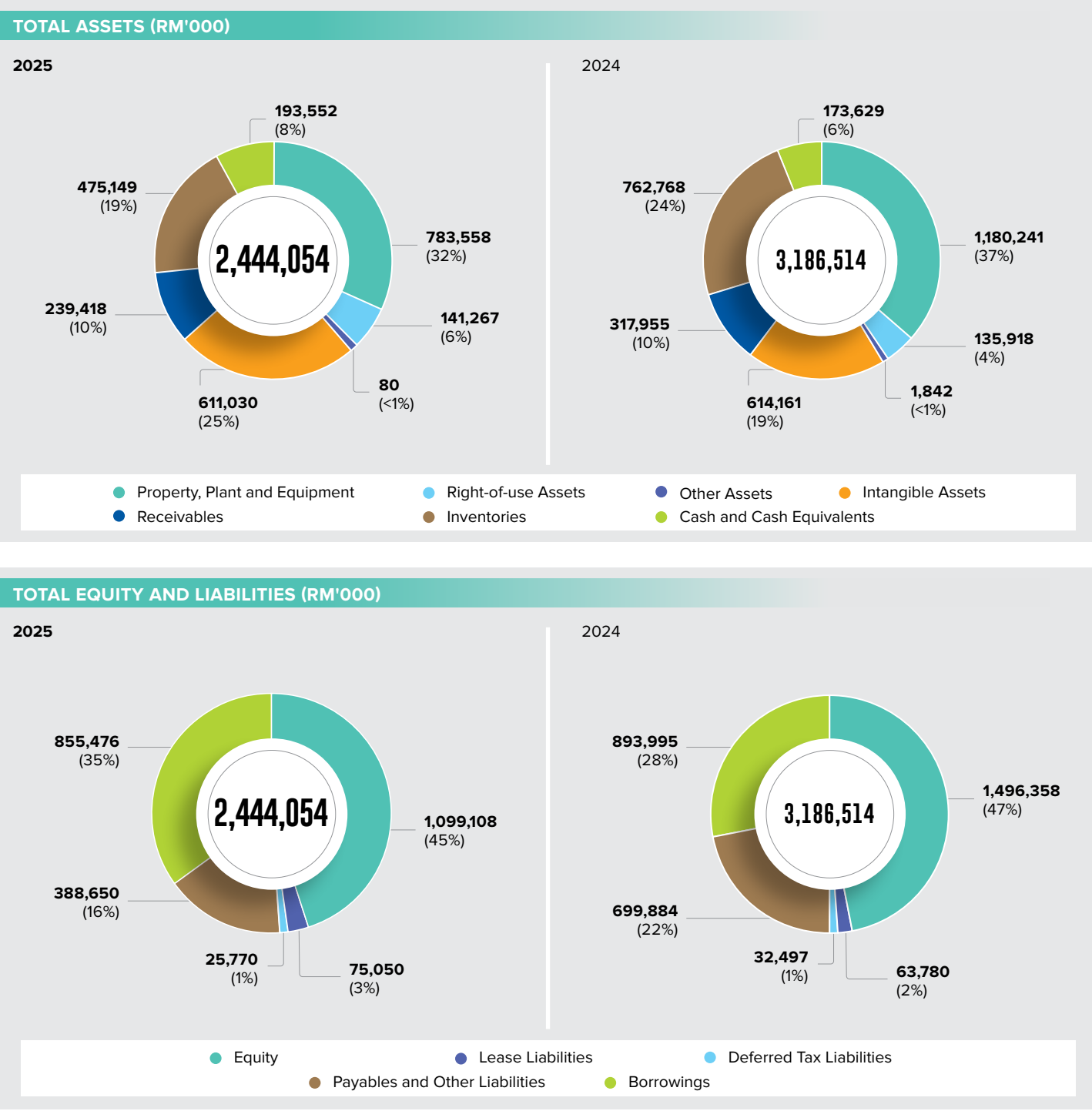
5-YEAR FINANCIAL HIGHLIGHTS

	2025 RM'000	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000
Revenue	3,094,415	3,544,733	3,091,223	2,565,985	2,259,698
Cost of Sales	(2,960,193)	(3,328,595)	(3,011,960)	(2,611,704)	(2,098,744)
Gross Profit/(Loss)	134,222	216,138	79,263	(45,719)	160,954
Other Operating Income	4,076	4,254	23,441	10,044	9,897
Selling and Distribution Expenses	(26,052)	(23,449)	(25,676)	(39,639)	(28,293)
Administrative Expenses	(76,561)	(81,442)	(75,031)	(70,808)	(66,106)
Reversal of Impairment/(Impairment) of Financial Assets - Net	956	745	693	2,819	(1,635)
(Impairment)/Reversal of Impairment of Non-Financial Assets	(359,961)	-	-	-	16,427
Other Operating Expenses	(14,099)	(3,654)	(1,854)	(249)	(7,682)
Other (Losses)/Gains - Net	(499)	(384)	10,979	(7,025)	41,998
(Loss)/Profit from Operations	(337,918)	112,208	11,815	(150,577)	125,560
Finance Income	3,747	7,068	7,932	4,022	2,587
Finance Costs	(40,686)	(44,312)	(47,760)	(31,984)	(47,045)
(Loss)/Profit before Zakat and Taxation	(374,857)	74,964	(28,013)	(178,539)	81,102
Zakat	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Taxation	(21,393)	(42,710)	(20,871)	827	(43,487)
(Loss)/Profit for the Financial Year from Continuing Operations	(397,250)	31,254	(49,884)	(178,712)	36,615
Discontinued Operations					
Profit from Discontinued Operations, Net of Tax	-	-	-	-	88,738
(Loss)/Profit for the Financial Year	(397,250)	31,254	(49,884)	(178,712)	125,353

FINANCIAL RATIOS	2025 RM'000	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000
Return on Shareholders' Equity	(36.14%)	2.09%	(3.40%)	(11.80%)	7.32%
Return on Total Assets	(16.3%)	1.0%	(1.7%)	(6.4%)	4.4%
Debt Equity Ratio	1.2	1.1	1.0	0.9	0.7
Dividend Cover	-	-	-	-	5.9
Total Assets	2,444,054	3,186,514	2,890,753	2,811,793	2,870,839
Net Assets per Share	1.56	2.13	2.08	2.15	2.44
(Loss)/Earnings per Share (Sen)	(56.51)	4.45	(7.10)	(25.42)	17.83

FINANCIAL PERFORMANCE

STATEMENT OF FINANCIAL POSITION



FINANCIAL PERFORMANCE

QUARTERLY FINANCIAL PERFORMANCE

	First Quarter RM'000	Second Quarter RM'000	Third Quarter RM'000	Fourth Quarter RM'000
2025				
Revenue	749,681	812,754	748,898	783,082
Profit/(Loss) from Operations	17,763	(12,632)	12,113	(355,162)
Profit/(Loss) before Zakat and Taxation	8,112	(22,736)	2,822	(363,055)
Profit/(Loss) Attributable to Equity Holders of the Company	3,725	(29,740)	(4,602)	(366,633)
Basic Earnings/(Loss) per Share (Sen)	0.53	(4.23)	(0.65)	(52.15)
2024				
Revenue	906,614	833,077	861,444	943,598
Profit/(Loss) from Operations	74,348	(21,533)	(46,255)	105,648
Profit/(Loss) before Zakat and Taxation	65,731	(31,642)	(55,576)	96,451
Profit/(Loss) Attributable to Equity Holders of the Company	41,713	(32,397)	(49,758)	71,696
Basic Earnings/(Loss) per Share (Sen)	5.93	(4.61)	(7.08)	10.20

STATEMENT OF VALUE ADDED

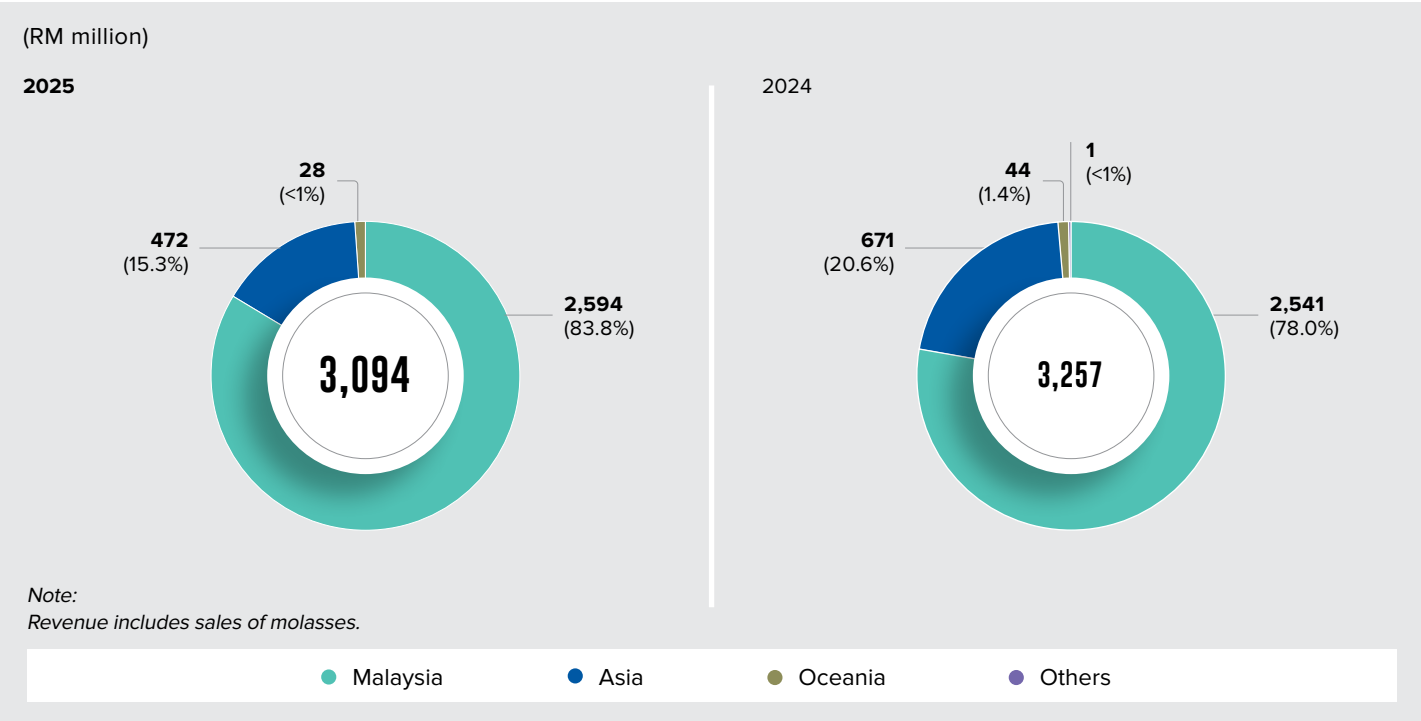
	2025 RM'000	2024 RM'000
Value Added		
Revenue	3,094,415	3,544,733
Purchase of Goods and Services	(2,873,414)	(3,238,361)
Value Added by the Group	221,001	306,372
Other Operating Income	4,076	4,254
Other (Losses)/Gains - Net	(499)	(384)
Impairment of Non-Financial Assets	(359,961)	-
Reversal of Impairment of Financial Assets	956	745
Finance Income	3,747	7,068
Finance Cost	(40,686)	(44,312)
(Deficit)/Net Value Added available for Distribution	(171,366)	273,743

FINANCIAL PERFORMANCE

STATEMENT OF VALUE ADDED (CONTINUED)

	2025 RM'000	2024 RM'000
Distribution		
To Employees		
- Employment Cost	115,881	115,521
To Government/Approved Agencies		
- Taxation and Zakat	22,393	43,710
Retained for Reinvestment and Future Growth		
- Depreciation and Amortisation	87,610	83,258
- Retained (Loss)/Profit	(397,250)	31,254
(Deficit)/Net Value Added Available for Distribution	(171,366)	273,743

REVENUE BY REGION



MARKET LANDSCAPE

In 2025, the global sugar industry continued to operate in a challenging macroeconomic environment. While global economic growth and inflation moderated compared to 2024, interest rates remained elevated during the first half of 2025 in many economies. These factors constrained consumer demand, including in the food and beverage sector, limiting sugar consumption and keeping raw sugar prices subdued.

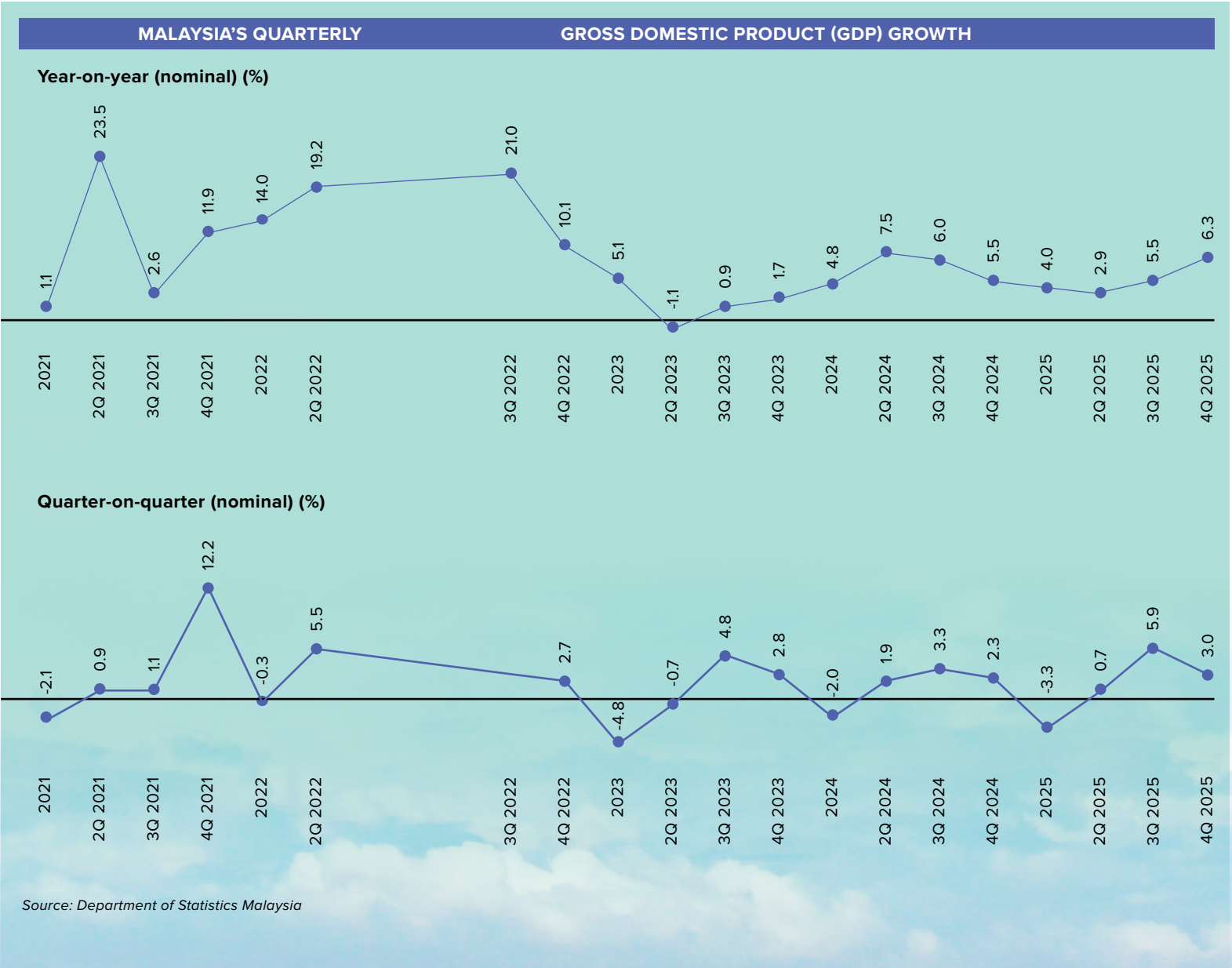
Raw sugar supply in 2025 was influenced by weather volatility, government export controls and global production trends. Adverse climatic conditions in key producing countries affected cane yields, while export restrictions by major producers, particularly India, constrained global supply availability. At the same time, increased production in Brazil, India and Thailand contributed to surplus expectations, moderating supply tightness. Softer global demand, lower price levels and rising input costs further shaped production and export decisions, resulting in continued supply volatility.

Adding downward pressure on raw sugar prices, the global market shifted to a pronounced surplus in 2025. This transition was driven by record production in Brazil’s Centre-South region and strong recoveries in Asia, including India and Thailand. Consequently, global sugar production reached a record 189 million MT, significantly outpacing human consumption of 178 million MT. India was a primary driver of this surplus; to manage the domestic glut, the Indian government announced it would open its sugar export quota earlier in the year. These combined supply-side factors pushed NY11 prices down to a low of 14.04 US cents per pound, with MYR/USD movements within the range of RM4.03 to RM4.52 also influencing local pricing.

Currency volatility, particularly movements in the US dollar and Brazilian real, remained a key factor affecting global trade competitiveness and pricing dynamics in the NY11 sugar market. In addition, the energy market continued to influence production decisions, as fluctuations in crude oil prices affected the relative attractiveness of sugar versus ethanol production, especially in Brazil.

Climate-related risks persisted despite relatively improved weather conditions compared to the previous year. Variability in rainfall and temperatures continued to pose potential risks to sugarcane yields in major producing regions.

Despite ongoing global challenges, Malaysia’s economy has remained resilient, underpinned by strong domestic demand and a recovery in external trade. In 2025, the country recorded GDP growth of 5.2%, reflecting sustained economic momentum despite external headwinds. The outlook for 2026 is supported by a diversified economic structure and continued policy support, which are expected to play a key role in maintaining growth momentum.



Performance of Major Sugar Producers in 2025

Brazil – Brazil’s production is forecast to increase by 700,000 MT from 2024/25 to 44.4 million MT, supported by higher sugar yields due to favourable weather. The sugar/ethanol production mix is expected to favour sugar, with 51% allocated to sugar and 49% to ethanol. Consumption is expected to remain stable, while exports are forecast to increase in line with higher production.

India – India’s production is estimated to jump 26% year-on-year to 35.3 million MT, supported by favourable weather, increased planting area and improved yields as output rebounds from the harsh conditions caused by El Niño. Consumption is anticipated to rise, driven by food service sector growth, while exports and stocks are expected to increase on higher supply.

Thailand – Thailand’s production is forecast to increase by 2% to 10.3 million MT, driven by higher sugarcane production and improved cane sugar yields. With consumption expected to be flat, exports are forecast to continue rebounding to 7.0 million MT, drawing down stocks to 10.0 million MT.

United States (US) – US production is forecast to decline slightly from last year to 8.5 million MT. Imports are forecast to be lower, reflecting quota programmes set at minimum levels consistent with World Trade Organisation and free-trade agreement obligations, as well as projected imports from Mexico, re-exports and high-tier tariff imports. Consumption is expected to decline slightly, and stocks are expected to fall largely due to lower imports.

Source: U.S. Department of Agriculture (USDA)

OUTLOOK

The sugar market in 2026 is expected to remain under bearish pressure, driven by higher global sugar output, particularly from major producers such as Brazil (44 million MT), India (35 million MT) and Thailand (10.3 million MT). As a result, raw sugar prices are projected to trade within the range of 13.00 to 15.00 US cents per pound, reflecting a supply-led market. The International Sugar Organization forecasts a global surplus of 1.22 million MT in 2025/26, while the USDA projects global sugar production to rise by 4.6% year-on-year to a record 189 million MT, outpacing consumption growth of 1.4% to 178 million MT.

ENGAGING WITH OUR STAKEHOLDERS

At MSM, stakeholder engagement is an integral part of how we create and protect value. By engaging stakeholders through continuous and structured platforms, we identify material matters, anticipate risks and opportunities and refine our strategic priorities. The feedback and insights received help us enhance performance, strengthen trust and deliver outcomes that are meaningful to our stakeholders.

STAKEHOLDER ENGAGEMENT OVERVIEW

The table below summarises the importance of each stakeholder group to MSM, their key areas of concern, our responses, the engagement platforms used, the relevant material matters and impacts on capitals.

S1

CONSUMERS AND CUSTOMERS

Why They Are Important to Us

Driving demand, influencing market trends and ensuring business sustainability through continued sales and brand loyalty.

Key Areas of Concerns

- Product quality
- Consumer health and safety
- Fair and competitive price
- Excellent customer service
- Attractive credit term

Engagement Platforms

- Online communications (emails, corporate website, social media)
- Dedicated account sales representatives
- On-ground branding events and activities
- Customer complaint response form
- Event and engagement sessions

Our Response

- Compliance with food standards
- Household brand
- Creation of a strong distribution network
- Optimisation of inventory management system
- Order fulfilment process

Relevant Material Matters

M10M11M12M13M14

Impact on Capitals

FMS

S2

EMPLOYEES

Why They Are Important to Us

Driving innovation, productivity and growth while shaping MSM’s culture, delivering value and ensuring long-term success.

Key Areas of Concerns

- Occupational safety, health and well-being
- Career development opportunities
- Vertical and horizontal growth opportunities
- Competitive benefit, remuneration and welfare packages
- Conducive working environment
- Protecting human rights
- Promoting Diversity, Equity and Inclusion (DEI)

Engagement Platforms

- MSM’s internal portal and emails
- Social and recreational activities
- Regular employee meetings, engagement events and programmes
- Onboarding programmes

Our Response

- Prioritised health and safety programmes
- Robust talent management process
- Employee engagements and feedback mechanisms
- Investment in employees’ training and development
- Benchmark pay structures against industry standards
- Talent attraction, career advancement and retention
- Frequent Management conversations with employees
- Team building and recreational events
- Psychological safety and mental health awareness initiatives

Relevant Material Matters

M5M6M7M8

Impact on Capitals

HS

ENGAGING WITH OUR STAKEHOLDERS

S3 REGULATORY AGENCIES AND STATUTORY BODIES

Why They Are Important to Us Driving demand, influencing market trends and ensuring business sustainability through continued sales and brand loyalty.		
Key Areas of Concerns	Our Response	
- Compliance with all legal and regulatory requirements - Strong corporate governance - Environmental emissions and discharge management - Recycling awareness - Fair labour practices - Safety at work - Waste and water management - Fulfilment of domestic market sugar supply - Effective internal control measures	- Regular updates, disclosures and reporting to regulators - Ensure good control environment - Perform periodical risk assessments and monitoring - Establish internal governance of halal practices and policies - Conduct annual consultation sessions - Uphold sustainable practices to protect stakeholders - Hold annual stakeholder consultations	
Engagement Platforms	Relevant Material Matters	Impact on Capitals
- Regulatory forums, briefings, meetings, conferences and consultation papers - Collaborations and partnerships with local councils	M2M3M7M10 M11M13M14	FMI HSN

S4 SHAREHOLDERS AND INVESTMENT COMMUNITY

Why They Are Important to Us Providing capital, influencing valuation, ensuring accountability, driving long-term growth and enhancing MSM’s reputation and financial stability.		
Key Areas of Concerns	Our Response	
- Sustainable financial performance and returns to shareholders - Future growth for business - Strategic engagement on value-added initiatives - Providing comprehensive understanding on the Company’s performance, strategy and future prospects - Transparent and timely communications including financial reports and sustainability disclosures - Ethical and responsible business conduct - Embedding ESG in business strategy and decision-making	- Implementation of the 3-year rolling MSM Business Plan to sustain long-term plans and growth - Ensure transparency in corporate reporting and disclosures through various platforms - Profit sustainability plan and revenue expansion initiatives - Sustainable manufacturing performance efforts - Strengthen reliability programmes and MSM Prai rejuvenation plan - Inculcate ESG mindset and practices - Uphold a strong governance, compliance and transparency framework	
Engagement Platforms	Relevant Material Matters	Impact on Capitals
- Annual integrated reports - Sustainability reports - Quarterly financial results announcements and briefings - Annual general meetings - Annual roadshows (non-deal roadshows, investor conferences, corporate days) - Online communications (emails, corporate website, social media)	M10M11M12M13M14	FIS

ENGAGING WITH OUR STAKEHOLDERS

S5

MEDIA, NON-GOVERNMENTAL ORGANISATIONS AND COMMUNITIES

Why They Are Important to Us

Helping to shape public perception, influence policy, drive social responsibility and foster trust, collaboration as well as sustainable business practices.

Key Areas of Concerns - Socio-economic operational impact and initiatives - Support key community developments and activities - Sponsorships and donations - Responsive and viable contribution - Community engagement activities	Our Response - Community empowerment - Regular channelling of value information to media - Media engagement and outreach - Provision of volunteering opportunities through community activities - Provision of financial aid and charitable donations
Engagement Platforms - Online communications (emails, corporate website, social media) - Community engagement activities	Relevant Material Matters M9M10 Impact on Capitals SN

S6

VENDORS, SUPPLIERS AND INDUSTRY PARTNERS

Why They Are Important to Us

Providing quality materials for MSM to produce the products and services needed for MSM's sustainable growth.

Key Areas of Concerns - Convenient access to procurement systems - Fair and equal evaluation of vendors and their proposals - Communicate fair conditions that satisfy both suppliers' and MSM's needs - Communication of new policies, guidelines or strategies - Annual audits	Our Response - Establishment of honest and open contract and tender negotiations - Support for local vendors - Actively engage with vendors to improve their understanding on the Company's procedures, guidelines, expectations of deliverables and quality standards - Conduct integrity assessments
Engagement Platforms - Supplier meetings - Vendor site visits - Vendor evaluation form - E-Procurement system - E-Procurement and Tender management system - Formal and informal engagements	Relevant Material Matters M5M7M10M11M13M14 Impact on Capitals SFIM

WHAT MATTERS TO YOU (AND US)

MSM performed a desktop-based materiality validation to confirm that our existing material matters remain aligned with our operating context, value chain and stakeholder expectations. The validation considered MSM's prior materiality outcomes, current-year business and risk context, relevant regulatory and reporting developments, and peer sustainability disclosures within the sugar and broader agri-food sector.

Based on this review, MSM concluded that all existing material matters remain unchanged for the current reporting cycle. While the level of emphasis and disclosure depth may evolve in response to emerging trends and reporting expectations, no material matter was assessed as obsolete or requiring removal. This outcome supports continuity in our sustainability priorities and ensures that our reporting remains focused on the matters most relevant to MSM's impacts, performance and long-term value creation.

Our materiality process continues to be guided by a double materiality perspective that considers the:

Outward impacts of MSM's activities on the economy, environment and people

Inward impacts of sustainability-related risks and opportunities on MSM's financial resilience and corporate value

By validating our material matters on an ongoing basis, we strengthen our ability to allocate resources, enhance disclosures and execute our sustainability strategy in a structured and responsive manner.



WHAT MATTERS TO YOU (AND US)

Impact Materiality Prioritisation (2024 baseline; validated for current reporting cycle)

The impact materiality prioritisation shown reflects the latest available scoring from MSM's 2024 materiality assessment. For the current reporting cycle, MSM conducted a desktop-based validation to confirm the continued relevance of all material matters. As no new stakeholder scoring exercise was undertaken, the 2024 prioritisation is retained as the baseline, while disclosures will continue to be strengthened in line with evolving expectations.

MATERIAL MATTERS	IMPACT MATERIALITY		
Occupational Health and Safety			4.6
Data Security and Protection			4.5
Governance, Ethics and Integrity			4.4
Operational Performance			4.4
Business Development and Product Quality			4.4
Upholding Human Rights and Labour Standards			4.4
Traceability, Responsible Sourcing and Supply Chain Management			4.3
Waste Management			4.3
Climate Action			4.2
Water Management			4.2
Renewable Energy and Energy Management			4.2
Employee Engagement and Talent Management			4.2
Diversity, Equity and Inclusion			4.1
Community Engagement and Development			4.0

WHAT MATTERS TO YOU (AND US)

Material Matters

M1 CLIMATE ACTION

Description

Managing climate-related impacts by reducing greenhouse gas emissions, improving climate resilience and supporting a responsible transition across MSM's operations and value chain.

Importance to MSM

Climate change can affect operational reliability, cost structures and stakeholder expectations, while also creating transition risks as policies, technologies and market preferences evolve.

Risks

- Higher operating costs due to energy price volatility and carbon-related regulations.
- Physical risks such as extreme weather disrupting logistics and supply continuity.
- Reputational risk if climate commitments and progress are not credible.

Opportunities

- Cost savings through energy efficiency and process optimisation.
- Enhanced competitiveness through low-carbon initiatives and operational resilience.
- Stronger access to finance and stakeholder confidence.

Our Response

- Track and manage emissions and energy use; implement efficiency initiatives.
- Strengthen climate governance and integration into risk management.
- Enhance disclosures progressively in line with evolving reporting expectations.

Linkages to Six Capitals, Stakeholders and UN SDGs

Six Capitals



Stakeholders



UN SDGs



M2 WASTE MANAGEMENT

Description

Managing waste generated from operations responsibly by prioritising reduction, reuse, recycling and safe disposal, while exploring circularity opportunities.

Importance to MSM

Effective waste management supports compliance, reduces environmental impact and improves operational efficiency.

Risks

- Regulatory non-compliance and penalties due to improper waste handling.
- Increased disposal costs and operational disruption.
- Environmental incidents impacting community trust.

Opportunities

- Cost optimisation through waste minimisation and segregation.
- Improved resource efficiency and circular economy collaboration.
- Stronger sustainability performance and reputation.

Our Response

- Implement waste segregation, monitoring and compliant disposal practices.
- Engage vendors and contractors to ensure responsible waste handling.
- Identify opportunities to reduce waste at source and improve recovery rates.

Linkages to Six Capitals, Stakeholders and UN SDGs

Six Capitals



Stakeholders



UN SDGs



WHAT MATTERS TO YOU (AND US)

M3WATER MANAGEMENT

Description

Importance to MSM

Managing water consumption and discharge responsibly through conservation, monitoring and compliance with effluent standards.

Water is essential to operations, and responsible management reduces environmental impacts and compliance risks.

Risks

Opportunities

Our Response

- Compliance breaches relating to effluent discharge and water regulations.
- Disruptions to operations due to water availability constraints.
- Community concerns relating to water quality and usage.

- Reduced cost and resource dependency through efficiency measures.
- Stronger environmental stewardship and stakeholder trust.
- Improved operational resilience.

- Monitor water withdrawal, usage and discharge; maintain treatment controls.
- Implement conservation initiatives where feasible.
- Strengthen compliance management and incident prevention.

Linkages to Six Capitals, Stakeholders and UN SDGs

Six Capitals

Stakeholders

UN SDGs

F M I S N

S3 S5 S6



M5UPHOLDING HUMAN RIGHTS AND LABOUR STANDARDS

Description

Importance to MSM

Upholding fair labour practices and respect for human rights across MSM's operations and supply chain, including preventing forced labour, child labour and unfair working conditions.

Strong labour standards support workforce wellbeing, ethical business conduct and stakeholder confidence, particularly within complex supply chains.

Risks

Opportunities

Our Response

- Legal and reputational risks arising from labour violations.
- Supply chain disruption and loss of business partnerships.
- Reduced employee engagement and retention.

- Stronger supplier relationships and resilience through responsible sourcing.
- Enhanced trust with customers, regulators and investors.
- Better workforce stability and productivity.

- Maintain policies and practices that support fair labour and human rights.
- Promote awareness and channels for reporting concerns.
- Strengthen supplier expectations and oversight over time.

Linkages to Six Capitals, Stakeholders and UN SDGs

Six Capitals

Stakeholders

UN SDGs

F I H S

S2 S3 S4 S5 S6



M4RENEWABLE ENERGY AND ENERGY MANAGEMENT

Description

Importance to MSM

Optimising energy use through efficiency improvements and exploring renewable energy options where feasible to support cost management and emissions reduction.

Energy is a significant operating cost driver and a key contributor to emissions.

Risks

Opportunities

Our Response

- Rising energy costs and volatility are impacting profitability.
- Performance disruption from inefficient energy systems.
- Increasing transition expectations from stakeholders and regulators.

- Operational savings from efficiency initiatives.
- Potential emissions reduction through renewable solutions.
- Improved competitiveness and resilience.

- Track energy consumption and improve efficiency through operational controls.
- Assess opportunities for renewable energy adoption.
- Promote energy awareness and good practices across the workforce.

Linkages to Six Capitals, Stakeholders and UN SDGs

Six Capitals

Stakeholders

UN SDGs

F M I H N

S2 S3 S4 S6



M6DIVERSITY, EQUITY AND INCLUSION

Description

Importance to MSM

Fostering an inclusive workplace that values diversity, ensures fair opportunities and supports equal treatment across all levels of the organisation.

Inclusive workplaces strengthen engagement, innovation and talent retention, while aligning with evolving stakeholder expectations.

Risks

Opportunities

Our Response

- Talent attraction and retention challenges if inclusion is not embedded.
- Workplace grievances affecting morale and productivity.
- Reputational risk from perceived inequity.

- Stronger employer brand and broader talent pipeline.
- Improved performance through diverse perspectives and collaboration.
- Enhanced culture and workforce wellbeing.

- Promote fair recruitment and development practices.
- Encourage inclusive leadership and a respectful workplace culture.
- Monitor workforce indicators and address gaps progressively.

Linkages to Six Capitals, Stakeholders and UN SDGs

Six Capitals

Stakeholders

UN SDGs

I H S

S2 S4 S5



WHAT MATTERS TO YOU (AND US)

M7 OCCUPATIONAL HEALTH AND SAFETY

Description	Importance to MSM
Ensuring a safe and healthy working environment for employees and contractors through risk prevention, safe systems of work and continual improvement.	Safety is fundamental to operational continuity, workforce well-being and MSM's licence to operate.
Risks - Workplace incidents causing harm, operational disruption and legal liabilities. - Increased costs from downtime, claims and regulatory actions. - Reputational impact and reduced employee morale.	Opportunities - Improved productivity and reliability through a strong safety culture. - Lower incident-related costs and stronger compliance. - Enhanced employee trust and engagement.
Our Response - Implement safety policies, training and hazard controls. - Conduct inspections, audits and incident investigations. - Strengthen contractor safety management and reporting.	
Linkages to Six Capitals, Stakeholders and UN SDGs	
Six Capitals	Stakeholders
F M I H S	S2 S3 S6
UN SDGs	
3 8	

M8 EMPLOYEE ENGAGEMENT AND TALENT MANAGEMENT

Description	Importance to MSM
Building a capable and engaged workforce through learning and development, performance management and career progression.	People's capability supports operational excellence and long-term competitiveness.
Risks - Skills gaps affecting operational performance and execution. - Higher turnover costs and reduced productivity. - Lower engagement is impacting culture and service quality.	Opportunities - Stronger performance through upskilling and leadership development. - Improved retention and succession readiness. - Higher employee satisfaction and innovation.
Our Response - Provide training and development opportunities aligned with business needs. - Strengthen performance, recognition and engagement initiatives. - Support leadership and succession planning.	
Linkages to Six Capitals, Stakeholders and UN SDGs	
Six Capitals	Stakeholders
I H S	S2 S4
UN SDGs	
3 4 8	

WHAT MATTERS TO YOU (AND US)

M9 COMMUNITY ENGAGEMENT AND DEVELOPMENT

Description	Importance to MSM
Engaging communities around MSM's operating locations to understand concerns, contribute positively and strengthen long-term relationships.	Community trust supports MSM's social licence to operate and helps manage social and operational risks.
Risks - Community dissatisfaction is affecting reputation and business continuity. - Misalignment between community expectations and MSM initiatives. - Social issues are escalating due to inadequate engagement.	Opportunities - Stronger stakeholder trust and goodwill. - Positive social impact through meaningful programmes. - Improved understanding of local issues and risk prevention.
Our Response - Maintain engagement channels with local communities and stakeholders. - Implement targeted community initiatives aligned with needs. - Monitor feedback and strengthen responsiveness.	
Linkages to Six Capitals, Stakeholders and UN SDGs	
Six Capitals	Stakeholders
F I H S	S3 S4 S5
UN SDGs	
8 11 17	

M10 GOVERNANCE, ETHICS AND INTEGRITY

Description	Importance to MSM
Maintaining strong governance, ethical conduct and compliance practices to protect stakeholder trust and support sustainable business performance.	Robust governance and ethical behaviour protect the organisation from misconduct, ensure accountability and strengthen decision making.
Risks - Financial losses, penalties and legal liabilities due to misconduct. - Reputational damage and erosion of stakeholder trust. - Operational disruption from governance failures.	Opportunities - Stronger trust and credibility with stakeholders. - Improved decision making and risk management. - Greater organisational efficiency and integrity culture.
Our Response - Apply a zero-tolerance approach to corruption and unethical conduct. - Provide awareness and training to promote ethical practices. - Maintain policies, reporting channels and compliance oversight.	
Linkages to Six Capitals, Stakeholders and UN SDGs	
Six Capitals	Stakeholders
F I H S	S2 S3 S4 S5 S6
UN SDGs	
8 16 17	

WHAT MATTERS TO YOU (AND US)

M11TRACEABILITY, RESPONSIBLE SOURCING AND SUPPLY CHAIN MANAGEMENT

Description	Importance to MSM	
Strengthening supply chain resilience by promoting responsible sourcing, traceability and supplier engagement aligned with MSM's standards and stakeholder expectations.	Supply chain practices can create social, environmental and reputational risks, while traceability and responsible sourcing support trust and compliance.	
Risks - Supply disruption and quality issues due to weak supplier controls. - Reputational risk from unethical sourcing practices. - Compliance exposure where traceability expectations increase.	Opportunities - Enhanced supplier reliability and operational continuity. - Stronger customer confidence and market access. - Better risk visibility through improved traceability and engagement. Our Response - Communicate supplier expectations and responsible sourcing principles. - Strengthen supplier screening and performance monitoring progressively. - Improve traceability and risk-based supplier engagement over time.	
Linkages to Six Capitals, Stakeholders and UN SDGs		
Six Capitals	Stakeholders	UN SDGs
FMSIHNS	S1S3S4S5S6	81217

M12OPERATIONAL PERFORMANCE

Description	Importance to MSM	
Enhancing operational efficiency, reliability and resilience through effective asset management, process improvement and continuous performance monitoring.	Strong operational performance supports consistent delivery, cost efficiency and business continuity.	
Risks - Production disruptions and inefficiencies affecting service levels and profitability. - Unplanned downtime impacting customers and reputation. - Increased costs from asset reliability issues.	Opportunities - Improved efficiency and reduced costs through optimisation. - Stronger reliability and customer confidence. - Better resilience against disruption. Our Response - Monitor operational performance and implement continuous improvement. - Strengthen preventive maintenance and operational controls. - Enhance performance management and root cause analysis practices.	
Linkages to Six Capitals, Stakeholders and UN SDGs		
Six Capitals	Stakeholders	UN SDGs
FMSIH	S1S2S4S6	8912

WHAT MATTERS TO YOU (AND US)

M13DATA SECURITY AND PROTECTION

Description	Importance to MSM	
Protecting data confidentiality, integrity and availability by managing cyber and information security risks across systems, processes and people.	Data security supports business continuity, stakeholder trust and compliance with relevant requirements.	
Risks - Cyber incidents causing service disruption and financial losses. - Data leakage impacting stakeholder trust and legal exposure. - Operational risks arising from compromised systems.	Opportunities - Improved resilience through stronger controls and preparedness. - Greater stakeholder confidence in governance and risk management. - Better decision making through reliable data systems. Our Response - Maintain information security policies and access controls. - Strengthen awareness and incident response readiness. - Enhance system security measures and monitoring progressively.	
Linkages to Six Capitals, Stakeholders and UN SDGs		
Six Capitals	Stakeholders	UN SDGs
FISHS	S1S2S3S4S6	8916

M14BUSINESS DEVELOPMENT AND PRODUCT QUALITY

Description	Importance to MSM	
Driving sustainable growth by strengthening product quality, customer satisfaction and business development initiatives, while maintaining responsible market practices.	Product quality and customer trust are essential to competitiveness, brand reputation and long-term growth.	
Risks - Product quality failures impacting customer trust and regulatory compliance. - Loss of market share due to inconsistent product performance. - Reputational impact affecting business relationships.	Opportunities - Improved market positioning through consistent quality and innovation. - Stronger customer relationships and repeat demand. - Growth through new offerings, partnerships or market expansion. Our Response - Maintain quality management practices and controls. - Monitor customer feedback and continuously improve product performance. - Strengthen market engagement and business development initiatives responsibly.	
Linkages to Six Capitals, Stakeholders and UN SDGs		
Six Capitals	Stakeholders	UN SDGs
FMSIHSS	S1S3S4S6	8912

OUR VALUE CREATING BUSINESS MODEL

OUR VALUE CREATING BUSINESS MODEL

INPUTS

Financial Capital

- Total assets: **RM2.4 billion**
- Deposits, cash and bank balances: **RM194 million**

Manufactured Capital

- Two** sugar refineries
- One** refined sugar warehouse and packing facility
- 2.05 million MT** total annual refining capacity

Intellectual Capital

- Over 60 years** of sugar industry experience, Gula Prai has built a strong brand name in Malaysia
- IT infrastructure
- Product certifications and compliance
- Collective experience and expertise of the Board and Management team

Human Capital

- 1,166** dedicated workforce
- Top & Senior Management: **24**
- Flexible and hybrid work arrangements
- Employee training and development programmes

Social & Relationship Capital

- Proactive engagement with regulators, investors, the media, customers and local communities
- Employee volunteering hours in various corporate responsibility programmes

Natural Capital

- Water consumption: **1,863,517 m³**
- Diesel consumption: **993,236 litres**
- Natural gas consumption: **3,823,276 mmBTU**
- Electricity consumption: **397 terajoules (TJ)**
- ISO 14001 (Environmental Management System) compliant at MSM Prai and SBW

OUR BUSINESS

COMMERCIAL & DOWNSTREAM

SUPPLY CHAIN MANAGEMENT

OPERATIONAL & REFINING

RAW SUGAR SOURCING & PROCUREMENT

OUR PRODUCTS

ENVIRONMENTAL

SOCIAL

GOVERNANCE

BUSINESS VALUE CREATION

Molasses

Premix

Fine Syrup

Liquid Sugar

Soft Brown Sugar

White Refined Sugar of Various Grain Sizes

M1

M2

M3

M4

M5

M6

M7

M8

M9

M10

M11

M12

M13

M14

Related UN SDGs

5

6

8

9

10

12

14

16

OUTPUTS

F

- Generated revenue of **RM3.1 billion**
- Overall gearing ratio of **40%**
- Loss Before Tax of **RM375 million**
- Loss After Tax of **RM397 million**

M

- 1,006,743 MT** production output in 2025
- Sales volume in Malaysia of **835,253 MT**
- Sales volume in Asia of **213,914 MT**
- Sales volume in Oceania of **11,924 MT**

I

- Goodwill and brand value of **RM608 million**
- RM4.44 million** IT CAPEX assets

H

- 2.1:1** male to female ratio at managerial level and above
- 37,373** training hours
- Women make up **38%** of executive roles and above

S

- Total Sponsorships and Donations: **RM175,372.74**
- Total Zakat Wakalah Contributions: **RM400,812.30**
- Continued positive and mutually beneficial relationship with stakeholders

N

- Scope 1 (S1) emissions: **220,623.13 tCO₂e**
- Scope 2 (S2) emissions: **38,173.82 tCO₂e**
- 0.93%** reduction in S1 & S2 emissions by intensity

HIGHLIGHTS

- Net Asset per share: **RM1.56**
- Shareholders' Equity: **RM1.1 billion**
- Loss per share: **56.5 sen**
- Return on Shareholders' Equity: **(36.14%)**
- Return on Total Assets: **(16.3%)**

- Our Manufacturing processes are certified with the following:
 - ISO 9001 (Quality Management System)
 - ISO 22000 (Food Safety Management System)
 - FSSC 22000 (Global Food Safety Initiative-benchmarked Food Safety Certification Scheme)
 - HACCP, Halal and Kosher Certifications
 - ISO 45001 (Occupational Health and Safety Management System)

- Gula Prai is a recognised halal brand as certified by JAKIM
- Consistent delivery of the safest and highest quality standards, in compliance with all relevant laws and regulations
- Gula Prai has a market-leading position as Malaysia's best-selling sugar brand, and one of the **Top 10 FMCG brands** nationwide since 2020

- We invested over **RM1.2 million** for employee training and development in 2025
- Ability to attract and retain a talented and diverse workforce
- Group Lost Time Injury Frequency Rate (LTIFR) of 2.14 in 2025
- MSM Prai, MSM Johor and SBW are ISO 45001 (Occupational Health & Safety Management System) compliant

- RM295.1 million** invested in local procurement
- Continued with MSM Prodigy programme, welcoming one new prodigy while 11 prodigies completed the programme in August and September

- Continuous effort in waste management with **97.6% recycling rate**, minimising waste disposal to landfills

OUR STRATEGIC PRIORITIES

OUR STRATEGIC PRIORITIES

STRATEGIC DIRECTION:
RESTORING STABILITY,
REINFORCING DISCIPLINE

In 2025, the Group refined our strategic direction in response to a more challenging commercial landscape and a maturing domestic market. With signs of structural saturation in Malaysia’s sugar industry and limited expansion headroom, priorities shifted from scale expansion to strengthening financial stability and operational efficiency. The immediate focus was to eliminate structural inefficiencies and restore predictability in earnings and cash flow generation.

The Group’s strategic priorities are anchored on restoring sustainable profitability, strengthening our domestic market position and reshaping the Group into a structurally competitive refining business. In a mature Malaysian market where demand growth is limited and competitive imports continue to exert pressure, our focus has been on value creation rather than volume expansion. The Group is recalibrating our operating model to ensure that every MT produced contributes positively to margin and cash flow.

Our first priority is restoring earnings stability by strengthening margins. We are intensifying efforts to defend and strengthen our domestic market share while improving average selling prices relative to raw sugar input costs. Hedging positions are being managed to reduce earnings volatility and protect downside risk. At the same time, refinery utilisation is being optimised to ensure sustainable contribution margins. The objective is to deliver consistent profit after tax, supported by predictable operating cash flow.

Structural cost competitiveness remains fundamental to MSM’s long-term resilience. The refined sugar market is inherently exposed to global commodity price cycles, and profitability cannot rely solely on favourable spreads. The Group is therefore focused on reducing refining cost per MT, tightening procurement for raw sugar and freight, and aligning production output closely with domestic demand to avoid margin dilution. Lowering the structural breakeven level is essential to ensuring that MSM remains profitable across cycles, not only during periods of market strength.

Asset productivity and prudent capital allocation are equally critical. Investment decisions are prioritised towards initiatives that enhance gross margins, improve operational efficiency and strengthen value-added product streams. At the same time, funding decisions are governed by strict balance sheet discipline to preserve liquidity, maintain prudent leverage levels and safeguard financial flexibility.

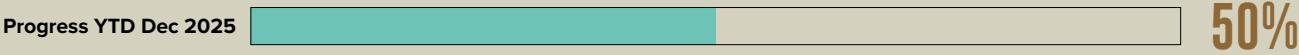
Ultimately, the success of this strategic reset will be measured by the Group’s ability to reinstate sustainable dividend payments and deliver real economic returns to shareholders.

For 2025, the mandate is clear: protect margins, reinforce financial fundamentals, optimise asset utilisation and focused execution. In doing so, we position ourselves to capture measured growth when structural market conditions become more supportive.

PROGRESS OF KEY STRATEGIC INITIATIVES IN 2025

1 EXPORT OPTIMISATION

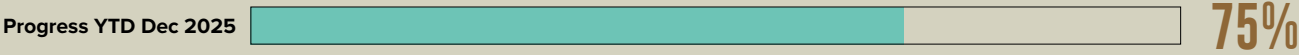
Export Optimisation
Managed export sales during the year, prioritising margin preservation and domestic market supply.



Note: Export volume was hampered by the low global white premium.

2 STRATEGIC CAPITAL EXPANSION

Proposed Strategic Partnership
The Proposed Strategic Partnership continued to be discussed up to December 2025.



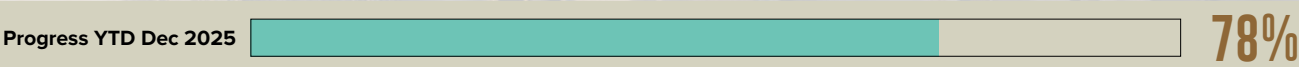
Note: The initiative has been placed on hold since December 2025 pending further review.

3 SUSTAINABLE MANUFACTURING PERFORMANCE

Group Utilisation Factor (UF) and Yield
Group UF and Yield reflected disciplined production planning alligned with domestic demand and inventory optimisation.

Group Refining Cost
The Group recorded an improvement in refining costs during the year, reflecting ongoing operational efficiency efforts.

Production Volume
The Group produced over 1.0 million MT of refined sugar during the year, serving domestic demand while maintaining export market presence.



4 IMPROVING DOMESTIC SALE PERFORMANCE

Average Selling Price
Average selling prices moderated in 2025, reflecting softer global sugar benchmark prices.

Sales Volume
The Group recorded domestic sales exceeding 800,000 MT in 2025, ensuring reliable supply to meet domestic demand and uphold national food security.



OUR STRATEGIC PRIORITIES

OPERATING CHALLENGES AND MANAGEMENT RESPONSE

In 2025, MSM operated against a complex commercial backdrop characterised by market pressure, cost volatility and tighter liquidity conditions. Management focused on stabilising operations while implementing corrective measures across procurement, pricing and working capital.

MARKET CONDITIONS

Challenge

The domestic market continued to experience inflows of refined sugar imports, intensifying price competition across key customer categories. At the same time, export markets remained challenging, with regional oversupply compressing premiums and limiting margin expansion opportunities.

Management Response

The Group continued our engagement with relevant authorities to support fair market practices within the domestic industry. Commercially, export participation was managed selectively where market premiums were insufficient, while greater focus was placed on protecting domestic margins and prioritising value over volume.

RAW SUGAR COST EXPOSURE

Challenge

Volatility in global raw sugar prices created timing differences between previously secured supply positions and prevailing market benchmarks. In addition, adjustments to shipment schedules extended certain cost exposures into the subsequent period.

Management Response

The Group strengthened our raw sugar hedging framework and procurement oversight to improve alignment between future supply positions and market benchmarks. Greater control was applied to cost monitoring and procurement planning to enhance pricing visibility and mitigate exposure to market volatility.

FINANCIAL DISCIPLINE AND LIQUIDITY MANAGEMENT

Challenge

Market conditions during the year moderated operating cash flow generation, while scheduled term loan repayments led to higher financing outflows.

Management Response

Management implemented targeted inventory optimisation initiatives to release working capital and established standby working capital facilities to strengthen liquidity buffers. Capital allocation discipline was also reinforced to prioritise operational continuity and maintain balance sheet resilience

OUR STRATEGIC PRIORITIES

OUTLOOK 2026 TO 2028: RECALIBRATION AND MARGIN PROTECTION

Domestic Market Outlook

The Malaysian sugar market remains structurally mature, with population growth moderating and per capita consumption broadly stable. As a result, domestic demand growth is expected to remain modest, with industry expansion projected to stay below 1% over the medium term. At the same time, refining capacity within the market continues to exceed underlying demand growth.

In this environment, competitive advantage will be determined primarily by cost efficiency, pricing control and product mix optimisation rather than volume expansion alone. Accordingly, the Group's strategy is focused on strengthening operational competitiveness and protecting margins within the domestic market, while utilising selective export channels to support balanced capacity utilisation.

Export Market Outlook

The global refined sugar export market remains highly concentrated among producers from a few major exporting countries with significant scale and cost advantages. Brazil accounts for the majority of global export volumes, while large integrated operators in Europe and Southeast Asia benefit from extensive refining capacity, integrated supply chains and established trading networks. This structural scale advantage allows these producers to compete aggressively in international markets.

In recent years, export premiums have also remained volatile amid regional oversupply, at times falling below levels required to sustain refining margins. Against this backdrop, we have adopted a more selective approach to export participation, prioritising margin preservation while reinforcing our focus on meeting domestic demand and maintaining a strong position in the Malaysian market.

2026: RECALIBRATION

MSM's Budget 2026 reflects a reset across commercial, procurement and capital priorities to stabilise margins, strengthen liquidity and align operations with market conditions.

Margin Protection and Commercial Discipline

Revenue strategy in 2026 prioritises margin protection and cash flow stability over volume-driven expansion.

Liquidity and Balance Sheet Management

Financial priorities in 2026 focus on preserving liquidity, maintaining working capital flexibility and strengthening balance sheet resilience.

Raw Sugar Procurement and Inventory Optimisation

Procurement and inventory strategies are being refined to better align raw sugar costs and stock levels with market demand and production planning.

KEY STRATEGIES 2026 TO 2028

Over the medium term, MSM's strategy focuses on strengthening commercial discipline, optimising operational efficiency and reinforcing financial resilience to support sustainable profitability.

Strengthen Commercial Discipline

- Reinforce domestic market leadership while improving average selling prices and product mix
- Moderate export participation to prioritise margin quality over volume expansion
- Expand value-added product offerings to strengthen contribution margins

Intensify Operational Efficiency

- Balance production deployment between Prai and Johor to improve cost competitiveness
- Optimise factory and logistics assets to enhance operational efficiency
- Undertake feasibility assessment for an integrated site masterplan to strengthen supply network efficiency

Reinforce Financial and Structural Strength

- Maintain prudent capital allocation and sufficient funding to support operational continuity
- Strengthen financial flexibility through prudent working capital and balance sheet management
- Streamline subsidiary structures to enhance accountability and cost management

OUR STRATEGIC PRIORITIES

STRATEGIC PRIORITIES 2026 TO 2028

In addition to our Budget 2026, the Group’s overall medium-term direction is guided by the Business Plan 2026 to 2028 (BP28), which recalibrates priorities toward stability, cost management and sustainable returns. In a structurally mature domestic market and a volatile global commodity environment, MSM’s focus shifts from expansion to strengthening earnings predictability, enhancing operational efficiency and restoring balance sheet resilience. The four strategic thrusts define the areas of concentration over the next three years and provide the framework for aligning initiatives, capital allocation and performance targets.

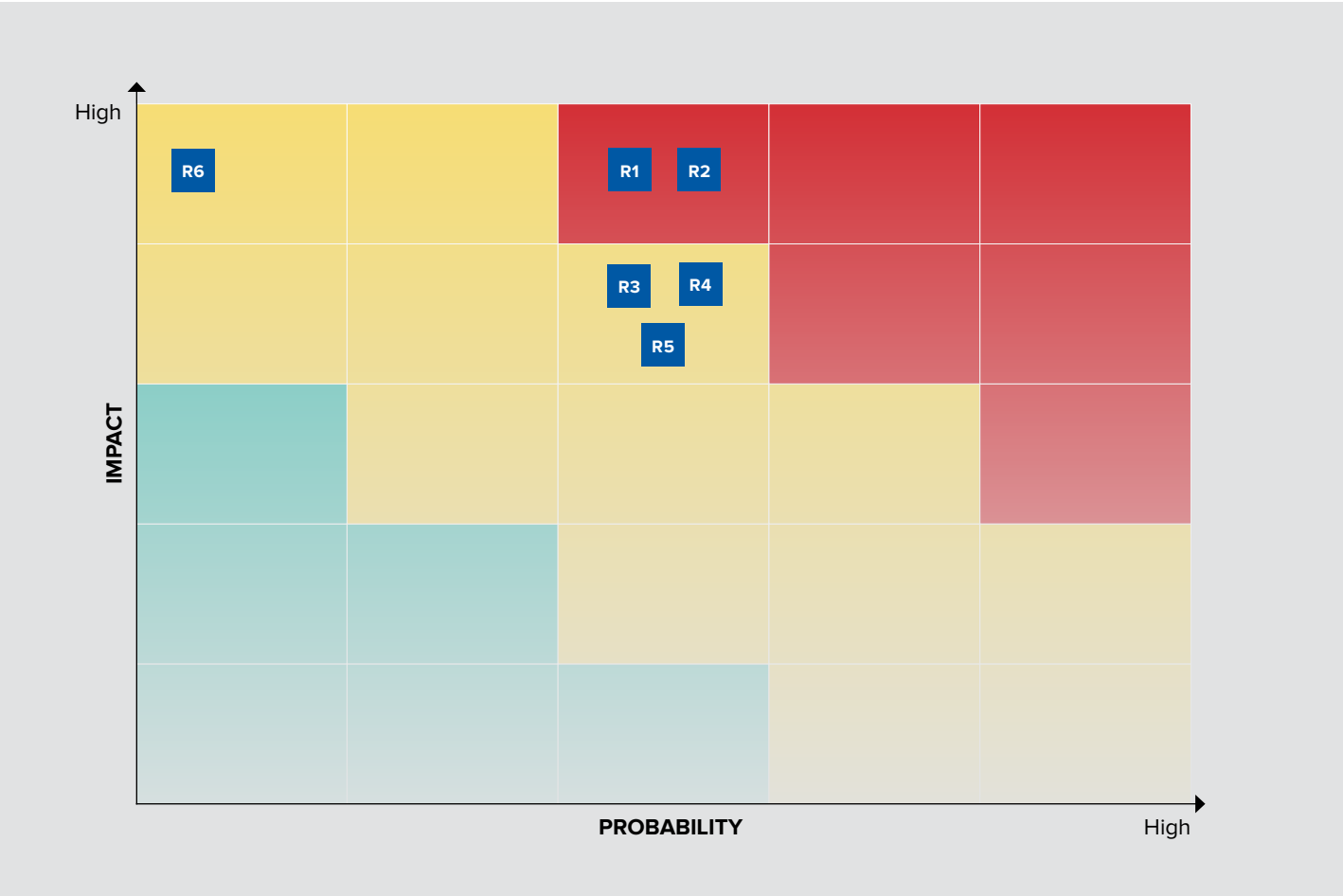
STABILITY Objectives - Strengthen earnings visibility and operating cash flow predictability through a stronger domestic market position - Improve refinery utilisation and operational efficiency to lower unit production costs - Deliver sustainable profitability with profit after tax (PAT) margins exceeding 2%, supported by pricing and volume management Material matters M4M10M11M12M14 Related capitals FMIHN Potential risks R2R3R4 Goals by 2028 - Consistent year-on-year profitability - Average UF >50% - Sustainable PAT Margin >2%
RESILIENCE Objectives - Maintain a lean and competitive cost structure to navigate volatility in global sugar prices and input costs - Prioritise procurement efficiency and operational efficiency to protect contribution margins - Maintain commercial flexibility to respond to market shifts while preserving margin integrity Material matters M1M7M10M11M12 Related capitals FMIHNS Potential risks R1R3R4R5R6 Goals by 2028 - Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) >RM200 mil Gross Profit Margin >8%
REINVESTMENT IN PRODUCTIVITY Objectives - Allocate operating cash flows towards higher margin value-added products and growth categories - Invest in technology and operational upgrades to enhance throughput, efficiency and unit cost economics Material matters M4M8M12M13M14 Related capitals MIFH Potential risks R1R2R4 Goals by 2028 - Cash Balance >RM150 mil
CONSISTENT DIVIDENDS AND REAL RETURNS Objectives - Resume consistent dividend payments supported by resilient operating cash flows - Improve Return on Assets (ROA) and Return on Equity (ROE) through capital allocation rigour and asset rationalisation - Anchor all decisions to long term shareholder value creation, not short term optics Material matters M10M11M12M14 Related capitals FIS Potential risks R1R2R3 Goals by 2028 - Improved ROA >3% and ROE >5%

KEY RISKS AND MITIGATIONS

MSM operates in a dynamic and regulated environment shaped by market volatility, cost pressures and evolving external developments. To navigate these conditions, the Group maintains a disciplined and forward-looking Enterprise Risk Management (ERM) framework to support strategic execution, operational resilience and sustainable value creation.

The principal risks presented in this section reflect the Group’s most material enterprise-level exposures identified through ongoing risk assessments and regular reviews by Management and the Board. While not exhaustive, these risks represent the key areas that may affect the Group’s financial performance, operational stability and long-term sustainability.

During the financial year, the Group’s risk profile remained elevated in selected areas, particularly Financial, Strategic and Market risks, in line with the operating dynamics of a capital-intensive and regulated industry. Operational, Geopolitical and Catastrophe risks remained broadly stable and continue to be actively monitored through established governance processes.



RISK CATEGORY					
R1	Strategic	R2	Financial	R3	Market
R4	Operational	R5	Geopolitical	R6	Catastrophe

KEY RISKS AND MITIGATIONS

R1

STRATEGIC RISK



HIGH
RISK

What It Means

Strategic risk arises from uncertainties relating to the Group's long-term operating footprint and our ability to optimise refinery utilisation to sustain cost competitiveness in a regulated industry environment.

Impact on Value Creation & Capitals

Underutilisation or footprint instability may increase fixed cost absorption, weaken margins and affect long-term asset value and capital allocation. This may in turn impact the Group's ability to sustain financial performance and optimise our manufactured capital base.

Mitigation Strategies

The Group continuously evaluates strategic options, aligns production capacity with demand conditions and maintains proactive stakeholder engagement to safeguard operational continuity. These efforts are supported by ongoing monitoring of utilisation performance and long-term footprint planning.

Opportunities

Strategic optimisation can enhance asset productivity and strengthen long-term cost competitiveness.

Risk Movement

Stable

Link to Material Matters

M10M11M12M14

Link to Stakeholders

S1S2S3S4S6

Link to Capitals

FMHIS

R2

FINANCIAL RISK



HIGH
RISK

What It Means

Financial risk primarily relates to liquidity management, creditor obligations, covenant compliance and reliance on shareholder financial support amid margin pressures.

Impact on Value Creation & Capitals

Liquidity constraints may increase financing requirements, restrict working capital flexibility and limit the Group's ability to fund operations and strategic investments. Prolonged pressure may also affect supplier confidence and financing relationships.

Mitigation Strategies

The Group adopts prudent financial planning, proactive cash flow management and continuous engagement with financiers, suppliers and shareholders to preserve liquidity and maintain financial resilience. Management also prioritises close monitoring of covenant positions and timely intervention measures to support ongoing compliance.

Opportunities

Strengthened financial discipline can improve capital efficiency and reinforce balance sheet resilience.

Risk Movement

Increase

Link to Material Matters

M10M11M12M14

Link to Stakeholders

S1S2S3S4S6

Link to Capitals

FS

KEY RISKS AND MITIGATIONS

R3

MARKET RISK



MODERATE
RISK

What It Means

Market risk arises from volatility in key input costs and pricing dynamics within a regulated and cost-sensitive operating environment, which may affect the Group's profitability.

Impact on Value Creation & Capitals

Adverse cost movements may compress margins, increase production costs and reduce earnings capacity where pricing flexibility is constrained. Sustained volatility may also affect planning certainty and commercial responsiveness.

Mitigation Strategies

The Group strengthens cost control, adopts adaptive pricing strategies and closely monitors market indicators to enable timely commercial responses. Management also tracks input cost trends and foreign exchange exposures to support informed procurement and pricing decisions.

Opportunities

Effective market management can strengthen commercial agility and support margin recovery.

Risk Movement

Stable

Link to Material Matters

M10M11M12M14

Link to Stakeholders

S1S2S3S4S6

Link to Capitals

FMI

R4

OPERATIONAL RISK



MODERATE
RISK

What It Means

Operational risk relates to production efficiency, asset reliability, regulatory compliance, utilities availability, cybersecurity resilience and supply chain management across the Group's manufacturing operations.

Impact on Value Creation & Capitals

Operational disruptions, including utility service interruptions or equipment failures, may result in production downtime, revenue loss, increased operating costs and potential regulatory exposure. These risks may also affect workforce productivity, asset performance and customer fulfilment reliability.

Mitigation Strategies

The Group reinforces preventive maintenance programmes, strengthens regulatory compliance, enhances cybersecurity controls and improves procurement planning while collaborating with utility providers to support operational continuity. Ongoing monitoring and escalation processes are also maintained to address emerging operational issues in a timely manner.

Opportunities

Operational resilience initiatives can improve reliability, support cost optimisation and enhance business continuity readiness.

Risk Movement

Stable

Link to Material Matters

M10M11M12M13M14

Link to Stakeholders

S1S2S3S6

Link to Capitals

FHMSIS

KEY RISKS AND MITIGATIONS

R5

GEOPOLITICAL RISK

MODERATE
RISK

What It Means

Geopolitical risk arises from evolving regulatory frameworks, policy shifts and political developments that may influence procurement channels, market access and distribution activities.

Impact on Value Creation & Capitals

Policy shifts, regulatory changes or trade restrictions may increase operating costs, disrupt supply stability and affect market competitiveness. Regulatory uncertainty may also influence planning assumptions and commercial strategy.

Mitigation Strategies

The Group continuously monitors regulatory and policy developments and maintains proactive engagement with relevant stakeholders to support informed strategic responses. The Group also coordinates closely with internal functions and relevant authorities to assess implications and respond in a timely manner.

Opportunities

Proactive regulatory engagement can enhance preparedness and strengthen strategic positioning.

Risk Movement

Stable

Link to Material Matters

M7M10M11M12M14

Link to Stakeholders

S1S2S3S4S5S6

Link to Capitals

FISM

R6

CATASTROPHE RISK

MODERATE
RISK

What It Means

Catastrophe risk relates to low-frequency but high-impact events, including environmental extremes and large-scale disruptions, that could materially affect infrastructure, workforce availability and operational continuity.

Impact on Value Creation & Capitals

Severe events may result in prolonged operational downtime, recovery costs, workforce disruption and potential asset damage. They may also affect customer service continuity, supply chain reliability and stakeholder confidence.

Mitigation Strategies

The Group continuously strengthens our business continuity and crisis management capabilities to enhance preparedness, response effectiveness and recovery readiness. Emergency response protocols and risk monitoring practices are also maintained to support resilience across operations.

Opportunities

Investments in resilience can enhance organisational agility and reinforce stakeholder confidence.

Risk Movement

Stable

Link to Material Matters

M7M10M11M12

Link to Stakeholders

S1S2S4S5S6

Link to Capitals

FISM

INVESTOR RELATIONS

MSM's dedicated Investor Relations (IR) team operates within a structured activities calendar comprising quarterly financial results announcements, analyst briefings, annual general meetings (AGMs), roadshows, site visits and one-on-one engagements. The team ensures timely responses to shareholder and stakeholder queries while maintaining MSM's dedicated IR portal through regular updates of relevant announcements, financial reports, presentations and corporate disclosures.

Since 2020, the Group has conducted our AGMs via a fully virtual format in response to the COVID-19 pandemic, while leveraging digital technology to facilitate continued shareholder participation in a safe and efficient manner. In line with the announcement issued by the Securities Commission Malaysia and Bursa Malaysia that mandated all public listed companies to conduct hybrid or physical general meetings effective 1 March 2025, MSM's 14th AGM was held in a physical format on 19 June 2025.

Conducting the AGM of MSM in a fully physical format complies with Paragraph 8.29A of Bursa Malaysia Listing Requirements and provides shareholders with the opportunity for direct engagement and meaningful interaction with the Board and Management in a conducive setting. This approach also enables more efficient cost management for the Group, while maintaining high standards of governance and transparency.

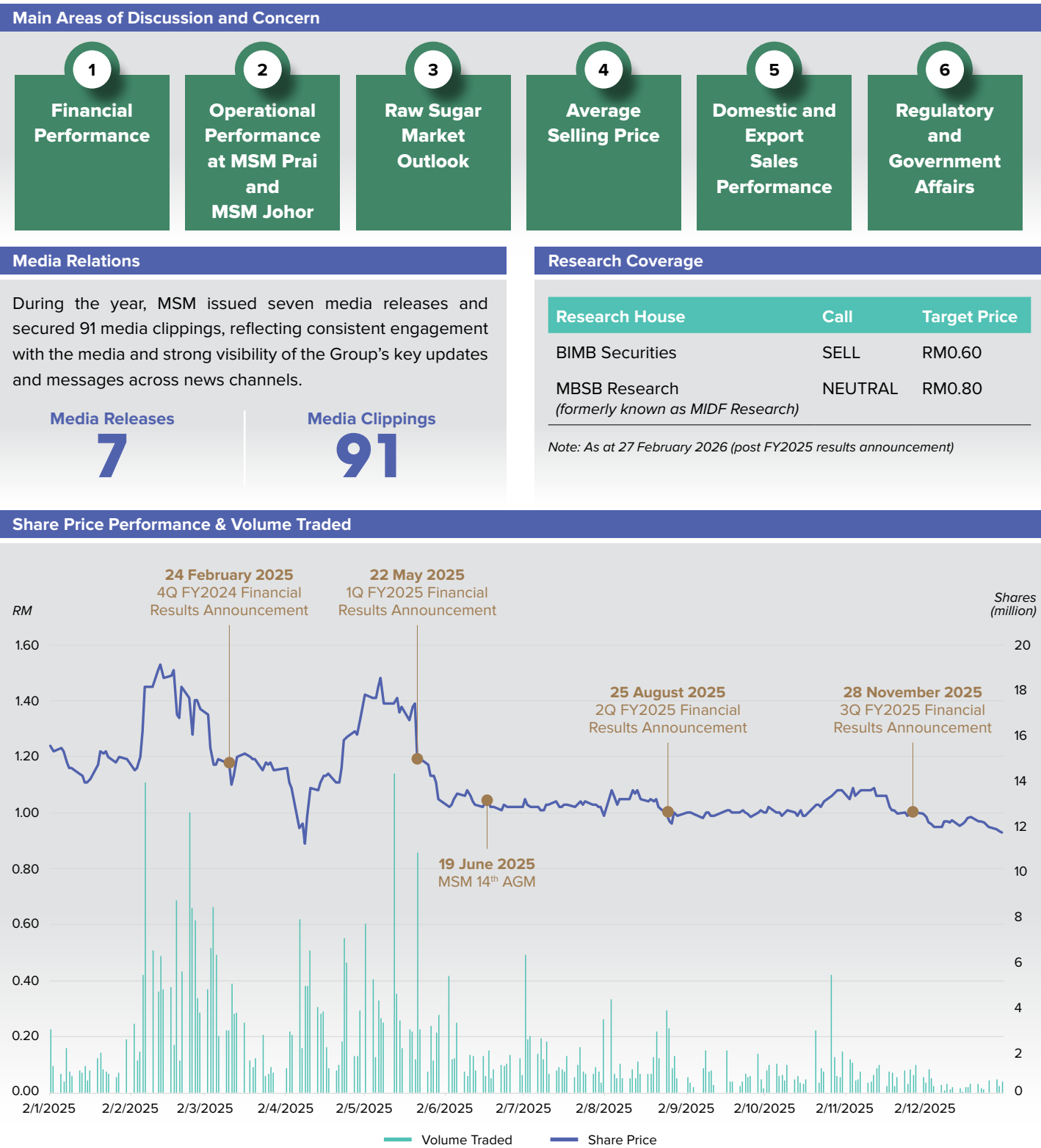
In accordance with Paragraph 9.22 of the Bursa Malaysia Listing Requirements, the Group announces its quarterly financial results via Bursa Malaysia. These announcements are complemented by analyst briefings, which provide analysts, fund managers and the broader investment community with deeper insights into the Group's financial and non-financial performance, thereby facilitating informed investment decisions and balanced market assessments. All quarterly financial results and accompanying analyst briefing presentations are available to the public on MSM's corporate website.

To ensure consistency, credibility and effective communication, all IR engagements are led and authorised by MSM's spokespersons, including the Group CEO, Group COO, CFO and Head of Corporate Strategy & Investor Relations.

Engagements	
FEBRUARY	
10	IR team Knowledge Sharing with Universiti Poly-Tech Malaysia Students
24	MSM Analyst Briefing for Quarter Ended (QE) 31 December 2024
27	MSM Townhall 1H 2025
MARCH	
25	Engagement with Public Investment Bank and clients
APRIL	
21	Site Visit to MSM Johor by MIDF Research and clients
MAY	
22	MSM Analyst Briefing for QE 31 March 2025
JUNE	
4	Pre-AGM Engagement with Permodalan Nasional Berhad (PNB)
19	MSM Malaysia Holdings Berhad’s 14 th Annual General Meeting
JULY	
24	ASEAN Corporate Governance Conference & Awards 2025
AUGUST	
15	Engagement with Astute Fund Management Berhad (Astute)
25	MSM Analyst Briefing for QE 30 June 2025
SEPTEMBER	
17	Site Visit to MSM Prai by FELDA Chairman
NOVEMBER	
4	MSM Townhall 2H 2025
5	Engagement with PNB on Nature and Biodiversity
9	Engagement with Astute
28	MSM Analyst Briefing for QE 30 September 2025
DECEMBER	
4	Engagement with MBSB Research
10	Engagement with BIMB Securities Sdn Bhd

INVESTOR RELATIONS

INVESTOR RELATIONS



Shareholder Information

MSM and its Group of companies (the Group) maintains a single class of shares, with FGV as the largest shareholder, holding a 51.00% interest. This comprises a direct shareholding of 10.97% and an indirect shareholding of 40.03% through FGV Sugar Sdn Bhd, a wholly-owned subsidiary of FGV. Other substantial shareholders include KPF, which holds 15.27%, and Amanahraya Trustees Berhad, with a stake of 7.11%. The remaining 26.62% is held by a diverse mix of local corporations, Malaysian retail investors and foreign shareholders.

To see further shareholder information, refer to Analysis of Shareholdings on pages 300 to 302 of this Report.

Insider Trading of MSM Shares

The Group enforces strict compliance with applicable insider trading laws and regulations through provisions outlined in the Corporate Disclosure Policy and Code of Business Conduct and Ethics (CoBCE). These provisions govern the conduct of employees, directors and related parties when dealing in MSM shares, especially during Closed Periods, as outlined below.

Trading During Closed Periods

During a Closed Period, any Director and Principal Officers of the Company or the Company’s major subsidiary (Affected Person) intending to deal in MSM shares must:

Prior Notification:
Submit written notice to the Company before the proposed dealing, stating: Their current holdings of MSM shares; and their intention to buy or sell MSM shares during the Closed Period.

Company Announcement:
Upon receiving such notice, MSM will immediately announce the intention to Bursa Malaysia Securities.

Transaction Timing:
The proposed dealing may only proceed after one (1) full market day has elapsed from the date of the announcement.

Post-Transaction Notification:
The Affected Person must notify the Company Secretary in writing within one (1) full market day after the transaction. MSM will promptly announce details of the dealing to Bursa Malaysia Securities.

Trading Outside Closed Periods

When dealing in MSM shares outside Closed Periods, the Affected Person must provide written notice of the transaction to the Company Secretary within three (3) market days of the transaction.

Other Communication Channels

MSM also uses the following channels to reach our stakeholders.

Corporate website: www.msmsugar.com
Investor Relations email: investor.relations@msmsugar.com
Press Releases: <https://www.msmsugar.com/media/press-releases>
Investor Relations webpage: <https://www.msmsugar.com/investor-relations/investor-relations>

Tel.: +603 2162 7900

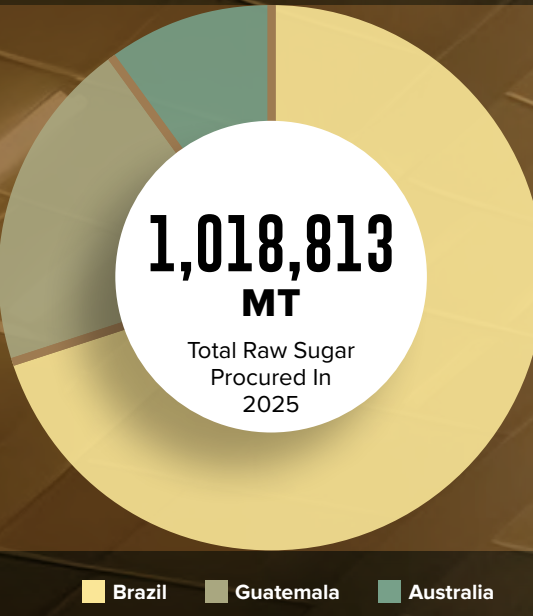
Other Communication Channels



OUR GROUP BUSINESS REVIEW

OUR GROUP BUSINESS REVIEW

RAW SUGAR
SOURCING AND
PROCUREMENT



In 2025, we procured a total of 1,018,813 MT of raw sugar. Brazil remained our largest supplier, contributing a combined 887,653 MT. Other key sources included Guatemala at 111,160 MT and Australia at 20,000 MT.

STRATEGIC PROCUREMENT AND RISK MITIGATION

Our strategic priority throughout the period remained centred on securing raw sugar at the most competitive price, even as the inherent volatility of global market dynamics continued to evolve. We adopted a robust, multi-layered approach to risk management and utilised a back-to-back hedging mechanism designed to align all sales directly with prevailing raw sugar prices. This was crucial in effectively neutralising price risks across the portfolio and maintaining a stable, predictable cost structure. Furthermore, our Trading Committee continued to provide strategic oversight, constantly monitoring global sugar trends,

hedging positions and currency exposure to ensure all operational and pricing decisions were responsive to market realities.

In addition, we continued to leverage the predictability and efficiency afforded by our long-term supply agreement with Wilmar Sugar Pte Ltd, which was essential for reliable logistics for our raw sugar imports and stabilising our freight expenses. The effectiveness of our procurement framework also benefited from external market shifts, with the strengthening of the MYR against the US Dollar enhancing our ability to procure

raw sugar at reduced costs compared to the prior year.

At the overall Group level, we support the recently introduced Demand-Driven Supply approach, which has fundamentally improved MSM's operations. We work closely to ensure procurement is aligned with this new approach that tightly links refining output to sales forecasts. This has enabled MSM to optimise stock levels, accelerate the cash conversion cycle and enhance financial liquidity and risk management.

BUSINESS OVERVIEW

In 2025, the global raw sugar market shifted to a pronounced surplus, driven by record production in Brazil's Centre-South region and strong recoveries in Asia, including India and Thailand. This oversupply pushed NY11 prices down to 14.04 US cents per pound, further supported by a stronger Malaysian Ringgit (MYR) against the US Dollar, which traded within the range of RM4.03 to RM4.52. Adding to supply-side pressure, India announced it would open its sugar export quota earlier in the year due to a domestic production surplus. Amid this market pressure, MSM took the opportunity to average down production costs, as raw sugar, which represents approximately 80% of the cost of goods sold (COGS) became significantly more affordable.

OUTLOOK

The market environment going into 2026 remains favourable, dominated by the expectation of a sustained global sugar surplus fuelled by robust production from Brazil and the strong recovery of Asian exporters. This prolonged buyer's market is anticipated to keep the NY11 benchmark price under downward pressure, with prices expected to hover around the 13.00 to 15.00 US cents per pound range throughout the first half of 2026.

Despite the positive market environment going forward, the Group must navigate through the continuing challenge of operating under the regulated domestic retail price regime and the threat of MYR volatility potentially eroding foreign exchange gains. Furthermore, the cyclical nature of commodities requires heightened vigilance against a rapid market reversal triggered by adverse climate events in major producing regions.

Accordingly, 2026 strategic priorities are centred on translating low input costs into profitability, strengthening the domestic market footprint and achieving maximum operational excellence through enhanced efficiency and capacity utilisation across all refinery assets.

OUR GROUP BUSINESS REVIEW

OPERATIONAL
AND REFINING

OPERATIONAL PERFORMANCE

OPERATIONAL & REFINING

Production Volume (MT)

2023	992,247
2024	1,104,290
2025	1,006,743

Raw Melted Sugar (MT)

2023	1,039,931
2024	1,138,941
2025	1,047,655

Group Capacity Utilisation (%)

2023	48
2024	54
2025	49

SUPPLY CHAIN

Selling & Distribution Cost (RM/MT)

2023	111
2024	115
2025	109

Inventory Record Accuracy (%)

2023	99.88
2024	99.99
2025	99.99

Order Fulfilment (On Time in Full) (%)

2023	94
2024	95
2025	95

Days of Inventory (Days)

2023	9
2024	17
2025	14

OUR GROUP BUSINESS REVIEW



BUSINESS OVERVIEW

2025 focused on sustaining operational stability while advancing efficiency and strengthening inventory discipline across the Group’s refining network. Production output was strategically balanced between MSM Prai and MSM Johor to optimise overall performance and align with demand conditions.

Both refineries recorded improved average steam consumption compared to 2024, reflecting continued progress in energy efficiency initiatives. Yield performance remained stable at high levels, supported by structured maintenance practices, enhanced reporting systems and targeted process improvements.

MSM Prai maintained strong melting stability, consistently delivering yields in the range of 96% to 97%, despite operational disruptions during the year, including the gas pipeline explosion in Putra Heights in April and water supply interruptions in Penang.

At MSM Johor, melting volumes peaked at 1,622 MT/day on 4 February 2025, the highest daily melt since commissioning. Average melting volumes reached approximately 1,300 MT/day during peak months with average yield of 94% for the year. However, overall performance of both refineries remained affected by lower UF performance during the year.

In parallel, the Group undertook a fundamental shift in our end-to-end supply chain model, transitioning to a Demand-Driven Supply approach. This shift resulted in improved working capital efficiency, lower inventory levels and enhanced delivery cost discipline.

OUR GROUP BUSINESS REVIEW

OPERATIONAL
AND REFINING



OPERATIONAL HIGHLIGHTS



MSM Prai

- Maintained yield performance at **96%–97%**.
- **Raw sugar weigher foundation and building** completed in April 2025.
- Computerised Maintenance Management System (CMMS) implemented with ongoing enhancements based on user feedback.
- Rejuvenation plan reprioritised in line with **cost control measures**, with selected projects deferred.



MSM Johor

- Yield maintained at **94%**.
- **Overall Equipment Efficiency (OEE) programme** for Packing in progress, targeted for completion in 2026.
- Initiatives implemented to **improve steam and water consumption**.
- **Clean and Inspect Programme** under Total Productive Maintenance (TPM) methodology commenced in July 2025 to strengthen operational ownership and equipment reliability.



Supply Chain
Transformation

- Transitioned to a **Demand-Driven Supply approach**.
- Reduced year-end inventory levels by **25%** compared to 2024.
- Closed two external warehouses and **increased internal warehouse storage capacity**.
- Selling and distribution cost reduced to RM109/MT, a **5% improvement** from 2024.
- Inventory days **reduced to 14 days** from 17 days in 2024.
- **Transport Management System** (TMS) went live in the second quarter of 2025.
- **Warehouse Management System** (WMS) became operational in the third quarter of 2025.

DIGITALISATION AND SMART LOGISTICS

The SMART Logistics deployment progressed during the year:

- TMS successfully went live in the second quarter of 2025 through MSM Logistics.
- WMS became operational at the central warehouse in the third quarter of 2025.

The TMS is currently undergoing post-investment review to further optimise delivery performance and logistics cost efficiency. Increased system utilisation contributed to improved gross profit margins for MSM Logistics compared to both Budget and FY2024.

The WMS benefits realisation process remains ongoing, given its shorter implementation period, with further optimisation initiatives underway to strengthen inventory control and order fulfilment performance.

MSM Logistics also strengthened its governance credentials during the year, receiving the MSOSH Gold Class 2 Award in the Logistics category for 2025. ISO 39001 Road Traffic Safety Management certification remains in progress, targeted for completion in the first half of 2026.

PLANNED SHUTDOWNS AND MAINTENANCE

Both MSM Prai and MSM Johor executed structured maintenance programmes to preserve plant reliability and meet regulatory requirements.

MSM Prai

- 18–20 January 2025: Planned maintenance shutdown.
- 30 March–2 April 2025: Scheduled annual maintenance.
- 21–25 September 2025: Planned annual maintenance.

MSM Johor

- 6–16 January 2025: Planned shutdown for regulatory renewal of pressure vessel Certificate of Fitness.
- 6–17 July 2025: Planned maintenance shutdown.

Maintenance planning was aligned with operational priorities to minimise disruptions while sustaining equipment performance and process stability.

OCCUPATIONAL SAFETY AND HEALTH

The Group continues to prioritise safety under our commitment to “No Harm to People, Property and Environment”, reinforcing structured safety management practices across all sites.

OUTLOOK

In 2026, Operational & Refining priorities will centre on efficiency enhancement, operational discipline and capital optimisation.

The key projects that will be implemented or completed in 2026 are as follows:

- Expected commissioning of Boiler #3 at MSM Johor in 2026 to support production capacity and redundancy.
- Completion of CMMS optimisation at MSM Prai to strengthen maintenance governance.
- Upgrading the packing line machinery at MSM Prai to improve efficiency and throughput.
- Enhancing bulk sugar transfer turnaround times between MSM Prai and SBW through rail and operational improvements.
- Initiation of the additional siding project at SBW to increase transfer capacity.
- The five-year asset acquisition programme for fleet renewal was temporarily deferred in 2025 and is expected to resume in 2026, subject to overall capital allocation priorities.

- Product expansion projects such as:
 - Fine Syrup Commercial run.
 - Brown and Caster Sugar feasibility studies in MSM Johor.

Operations will also implement Operational Excellence key initiatives as follows:

- Expansion of TPM programme to MSM Johor, MSM Prai and SBW for both Autonomous Maintenance and Planned Maintenance Pillars to focus on Standard Works of Cleaning and Inspection, Preventative Maintenance activities and engagement, and knowledge enhancement with the shop floor on delivering with this methodology.
- Value Stream Mapping (VSM), which will be focused on the Production area and operation processes.
- New framework of LSS programme to value add the current Green Belters and Black Belters by giving more support to the shop floor in the Teaching, Coaching and Mentoring Programme.
- Expansion of OEE system reporting

to SBW and MSM Prai to ensure data accuracy, reliability and effectiveness to measure the Availability, Performance and Quality result to be more operationally efficient.

For Supply Chain, 2026 priorities include:

- Further inventory optimisation to enhance working capital efficiency.
- Targeted up to 10% reduction in supply chain operating costs compared to 2025.
- Greater utilisation of TMS and WMS to enable data-driven cost-to-serve management.
- Continued driving Supply Chain initiatives to support additional revenue generation, volume expansion and product offering.

Collectively, these measures aim to strengthen operational resilience, improve cost management and enhance service responsiveness in a more competitive market environment.

OUR GROUP BUSINESS REVIEW

OUR GROUP BUSINESS REVIEW

COMMERCIAL AND
DOWNSTREAM



In 2025, the Group Commercial Division (the Division) delivered mixed performance across its customer categories amid a more competitive operating environment. Pricing pressures persisted across key markets, driven by increased regional supply and heightened competition, which constrained volume growth in certain customer categories.

Wholesale volumes recorded a year-on-year decline of 5%, reflecting softer demand conditions. This was partially offset by stronger performance in the industrial customer category, where volumes grew 5% year on year, driven by higher offtake from key customers. Export sales declined 11% year on year, primarily due to low global white premium and volatility in NY, which affected the average selling price, leading to moderated volumes.

Overall performance reflected a continued emphasis on value-driven commercial strategies, balancing volume optimisation with margin discipline across domestic and export channels.



BRAND AND PRODUCT PERFORMANCE

MSM’s flagship brand, Gula Prai, continued to anchor the Division’s domestic portfolio in 2025, maintaining its position as a trusted household brand amid a more competitive market environment. Brand performance was underpinned by consistent availability and targeted commercial execution, aligned with evolving consumer purchasing behaviour.

Beyond the flagship offering, the Division strengthened engagement with value-conscious consumers through focused promotional and experiential marketing initiatives. Participation in key domestic events which attracted more than two million visitors over the course of the year, including the Hari Peneroka FELDA programme, enhanced brand visibility and consumer reach.

BUSINESS OVERVIEW

The operating environment in 2025 benefited from a more favourable cost backdrop, but increased regional supply intensified competition in the domestic market. This tightened pricing flexibility and placed greater emphasis on resilient commercial management across customer categories.

Domestic demand remained relatively stable, though purchasing behaviour showed greater price sensitivity. As a result, the Division prioritised optimisation of customer and product mix, applying margin-focused, value-driven strategies while maintaining balanced exposure across customer categories to manage volatility.

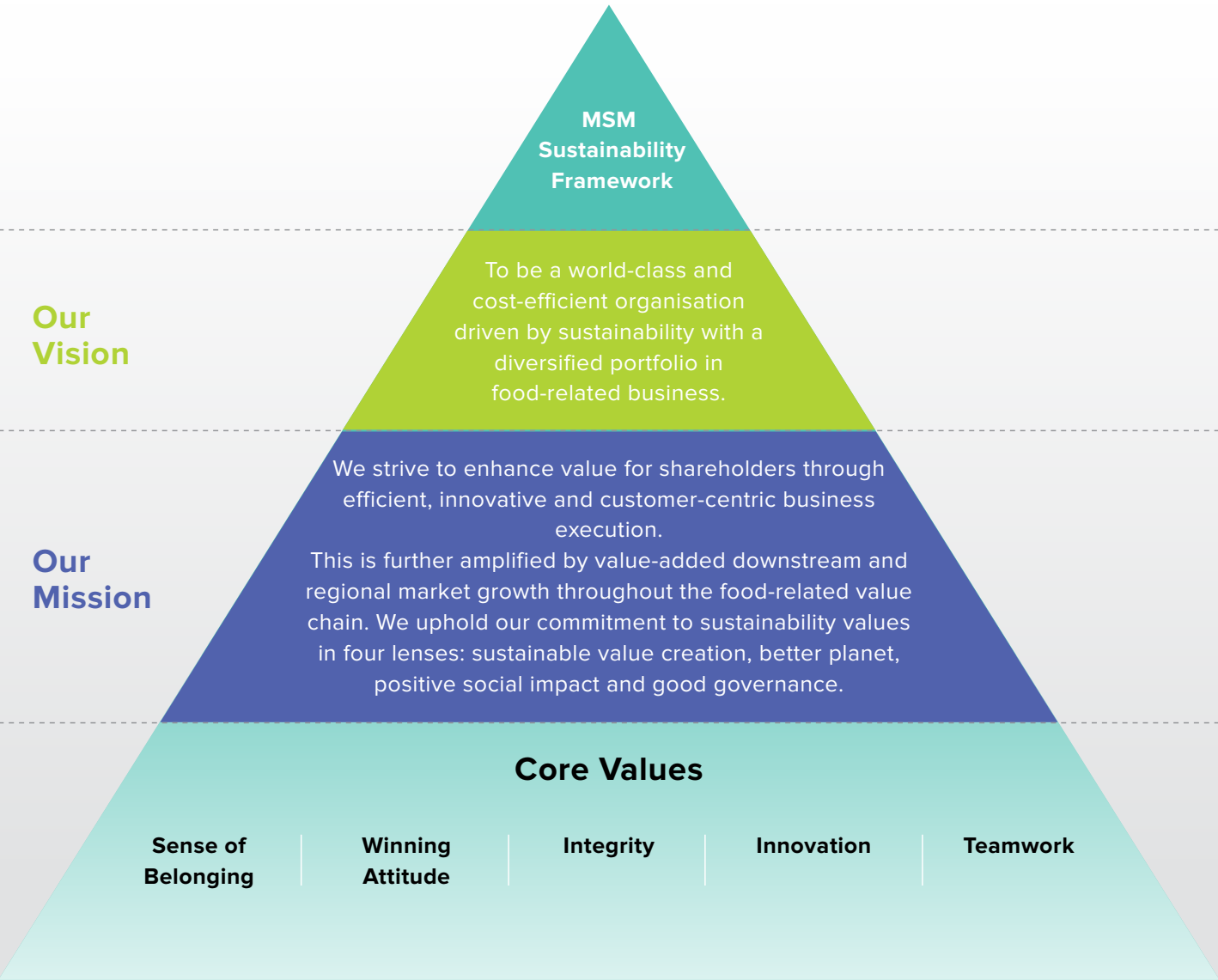
OUTLOOK

Looking ahead, domestic sugar consumption is expected to stay relatively stable, shaped by seasonal and festive patterns alongside ongoing cost-conscious consumer behaviour. The Division will focus on maintaining consistent domestic supply through prudent production planning, inventory management and structured pricing approach, complemented by proactive customer engagement and operational flexibility across peak and non-peak periods.

Commercial priorities will include diversifying product offerings and strengthening customer engagement to deepen loyalty and expand the domestic customer base. Export efforts will continue to focus on value-added products such as Liquid Sugar, Fine Syrup and Premix, with emphasis on product mix and margin contribution, particularly for the China market.

SUSTAINABILITY FRAMEWORK

MSM’s Sustainability Framework reflects our vision, mission and core values and supports a cost-efficient, high-performance and sustainable business model by integrating sustainability into our core business strategy and reinforcing our commitment to ethical and responsible conduct. It defines how sustainability is managed across the organisation, shaping decision-making and daily operations to sustain long-term resilience and responsible growth. It also maintains a balance between economic growth, environmental responsibility and social well-being and drives opportunities across the food value chain to strengthen sustainability and business resilience without compromising stakeholder value or the management of environmental and social impacts.



SUSTAINABILITY FRAMEWORK

The Sustainability Framework is organised around four key pillars, namely Economic, Environmental, Social and Governance (EESG) and is supported by five focus areas that define our sustainability agenda. These focus areas correspond to the relevant material matters:

ESG FOCUS AREAS	CORRESPONDING MATERIAL MATTERS
ECONOMIC GROWTH Strengthening profitability and economic growth as the principal outcome of a holistic sustainability approach	- Business Development and Product Quality - Operational Performance - Traceability, Responsible Sourcing and Supply Chain Management
ENVIRONMENT Integrating environmental protection, climate mitigation and adaptation efforts and the responsible use of natural resources while progressing towards zero environmental impacts	- Climate Action - Waste Management - Water Management - Renewable Energy and Energy Management
SOCIAL Adopting a responsible approach to social and human rights as the nation’s employer of choice and in fulfilling corporate social responsibilities	- Upholding Human Rights and Labour Standards - Occupational Health and Safety - Employee Engagement and Talent Management - Community Engagement and Development - Diversity, Equity and Inclusion
GOVERNANCE Aligning sustainability objectives and targets across the Company’s core business strategy and model while ensuring compliance with legal, regulatory and sustainability requirements	- Governance, Ethics and Integrity - Traceability, Responsible Sourcing and Supply Chain Management - Data Security and Protection
INNOVATION & TECHNOLOGY Advancing innovation and transformation to promote incremental and disruptive sustainability-oriented innovation and progress	- Operational Performance - Climate Action

Our framework is also aligned with UN SDGs and the Principles of the United Nations Global Compact (UNGC).

SUSTAINABILITY FRAMEWORK

Our Sustainability Approach	
Understand Organisational Context	Assess the organisation’s mission, values, goals, stakeholder needs and existing sustainability initiatives to establish a clear foundation for sustainability integration.
Define Measurable Sustainability Objectives	Set measurable sustainability goals that align with the overall corporate strategy and stakeholder expectations across EESG dimensions.
Conduct Materiality Assessment	Identify and prioritise sustainability issues that have the most significant impact on MSM’s business and stakeholders, to focus efforts on key sustainability matters.
Establish Governance Structure	Formalise MSM’s commitment to sustainability through policies and procedures that provide clear direction for implementation.
Develop Sustainability Policies and Procedures	Formalise MSM’s commitment to sustainability through comprehensive policies and procedures that provide a structured roadmap for action.
Define and Identify Key Performance Indicators (KPIs)	Establish relevant KPIs to measure progress towards sustainability goals and assess performance across ESG areas.
Develop and Implement Action Plans	Identify and execute sustainability initiatives that address high-priority issues and deliver measurable impact on business and stakeholders.
Integrate Sustainability Across Functions	Apply sustainability practices across all business areas, including supply chain, procurement, human capital, resource management, product distribution and marketing.
Engage Stakeholders Throughout the Process	Involve stakeholders in developing and implementing sustainability initiatives to strengthen collaboration and accountability.
Monitor and Report Progress	Track sustainability performance through defined systems and communicate results through sustainability statements, town halls and other communication channels.
Apply Kaizen Philosophy for Continuous Improvement	Promote continuous improvement by incorporating stakeholder feedback, regulatory developments, emerging trends and data-driven decision making into sustainability practices.

SUSTAINABILITY FRAMEWORK

This approach allows us to incorporate sustainability across our operations, with a clear focus on net zero, responsible resource use and stronger governance. Moving forward, we will endeavour to reduce greenhouse gas (GHG) emissions, improve resource efficiency and meet global reporting standards within our operations. We will also continue to focus on waste management and regulatory compliance as part of our commitment to sustainable business practices and long-term resilience.

MSM's Group Sustainability Policy



The Group Sustainability Policy (GSP) provides the framework that brings together economic activities, environmental responsibility, social considerations and governance practices within a single approach. Introduced in 2018, the GSP undergoes periodic review to ensure it remains aligned with evolving ESG developments, stakeholder expectations and industry standards. The policy is currently being revised to place greater emphasis on climate change and climate risk management, waste management, digital sustainability and IT governance, as well as biodiversity and ecosystem management. Its scope is also being expanded to cover suppliers, vendors and other third parties associated with MSM's operations. Fully mapped to MSM's Sustainability Framework, the GSP now guides the Group across 19 key areas in applying sustainable practices throughout our operations while taking the interests of stakeholders and the wider community into consideration.

Ensure external suppliers are aligned with GSP

Engaging stakeholders to cultivate sustainable practices

Comply with applicable legislation and regulatory requirements

 For more information, refer to https://www.msmsugar.com/sites/default/files/group_sustainability_policy.pdf

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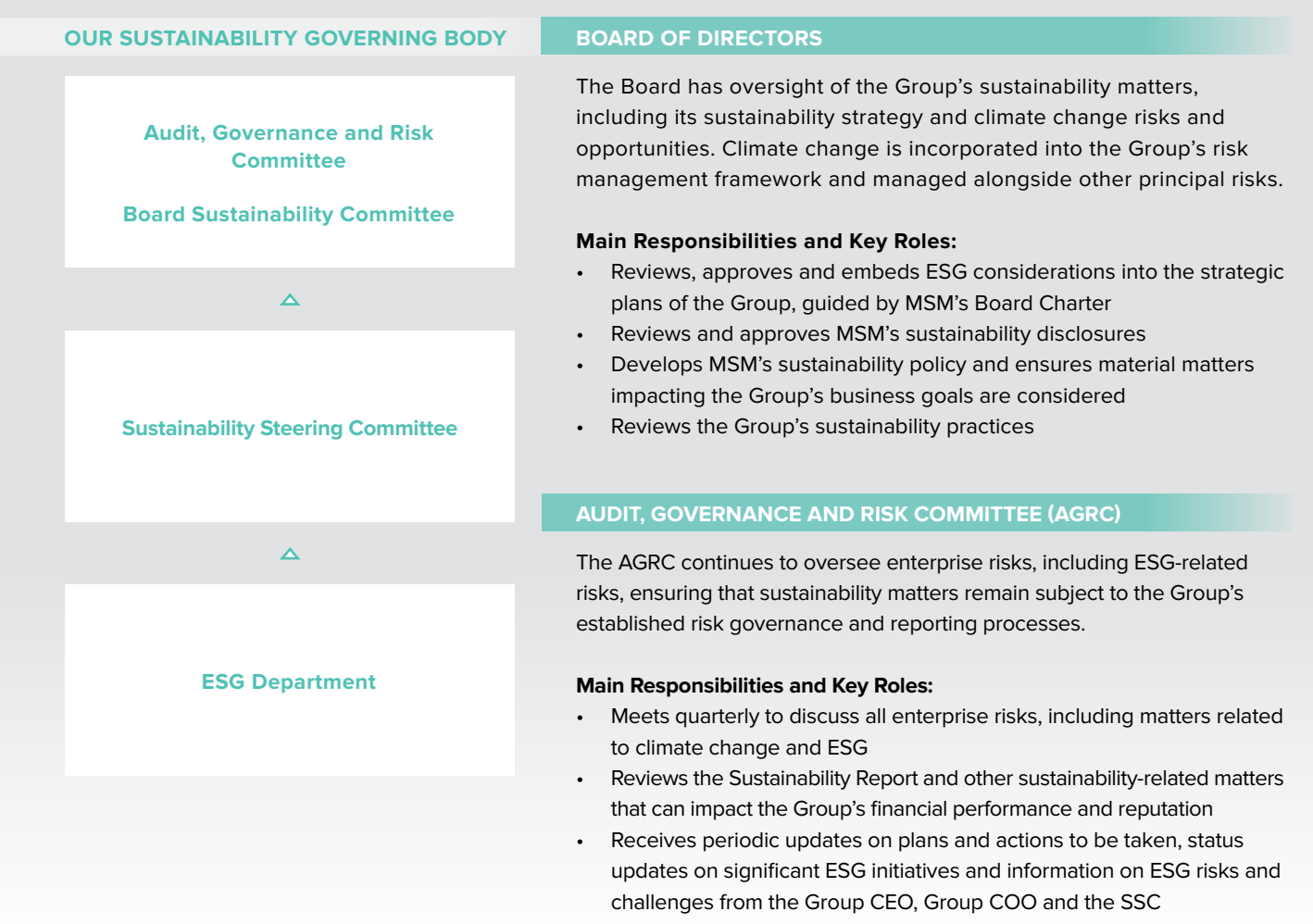
SUSTAINABILITY GOVERNANCE

MSM’s sustainability governance is supported by defined oversight at Board level and coordinated execution at Management level. The governance framework provides clarity of roles, reporting lines and escalation pathways, ensuring sustainability matters are addressed consistently across the Group.

In January 2025, the Board of Directors (the Board) established the Board Sustainability Committee (BSC) to assume responsibility for sustainability governance at the Board level. The Audit, Governance and Risk Committee (AGRC) remains in place, with oversight of sustainability matters transitioning to the BSC upon its establishment, ensuring seamless continuation of sustainability commitments. The AGRC continues to oversee enterprise risks, including ESG-related risks.

The Sustainability Steering Committee (SSC), established in October 2024, supports the BSC and the Board in discharging their oversight responsibilities for the Group’s sustainability practices. Chaired by the Group CEO, the SSC comprises Heads of Operations (HOOs) and Heads of Departments (HODs) across the Group. It serves as the primary Management-level forum for recommending and implementing sustainability strategies, objectives, policies and practices and for reviewing progress across key sustainability areas. The ESG Department supports these governance arrangements by advising operational units and subsidiaries and facilitating sustainability-related reporting to Management and the Board.

☰ For further details on sustainability-related training undertaken by the Board, refer to the Corporate Governance Overview Statement in this Report.



UPHOLDING GOOD GOVERNANCE AND RESPONSIBLE BUSINESS

Governance,
Ethics and
Integrity

Why It Matters

At MSM, we believe that sound governance, ethical business practices and integrity are the foundation of sustainable business operations as these principles guide how decisions are made and how the business is conducted. Good governance ensures transparency, accountability and consistent decision-making across the organisation, while strong ethics and integrity build stakeholder confidence and trust through a clear commitment to fairness and moral values.

Our Approach

Our approach is centred around the Group Sustainability Policy, which guides the management of environmental, social and governance impacts arising from our operations and activities. This approach aligns our governance practices with the Malaysian Code on Corporate Governance 2021 (MCCG 2021) and ensures compliance with Bursa Malaysia’s sustainability disclosure requirements.

Furthermore, we also undertake the following:

Embedding Ethics and Integrity	Strengthening Compliance Awareness
Building a positive compliance culture by conducting risk assessments, roadshows, townhalls and symposium to strengthen awareness on regulatory compliance across the Group. These activities are carried out across our operations, and include communication of the Group’s anti-corruption commitment to all Directors and employees.	Maintaining high standards of good governance through compliance with the Group’s overarching MSM Constitution, Governance Framework, corporate SWIIT Core Values and the Code of Business Conduct and Ethics for Employees (CoBCE) Policy. The CoBCE Policy gives effect to these requirements by guiding employees on honest, transparent and ethical business practices, covering compliance, integrity, workplace conduct and conflicts of interest. Ethics and integrity matters in MSM are overseen by the Corporate Governance and Risk Management (CGRM) Division as part of the same governance structure.

Policies and Procedures

The MSM Governance of Policies and Procedures Policy was approved by the Board of Directors (the Board). The policy provides rules and principles to follow when developing or revising any policy or standard operating procedures (SOPs). It also ensures that a proper approval process is in place and serves as a constructive approach to managing business operations with good corporate governance practices and integrity.

☰ For more information, refer to the Corporate Governance Overview Statement (CGOS) and the Statement on Risk Management and Internal Control (SORMIC) in this Report.

UPHOLDING GOOD GOVERNANCE AND RESPONSIBLE BUSINESS

Governance, Ethics and Integrity

Anti-Bribery Policy Statement

The Anti-Bribery Policy Statement is aligned with the principles of adequate procedures (T.R.U.S.T) and reflects MSM’s commitment to upholding high standards of ethics and integrity.

The statement consolidates and summarises seven policies governing matters related to corruption, fraud and abuse of power. It is published on MSM’s corporate website.

The policies are as follows, with a summary of each statement:

Code of Business Conduct and Ethics (CoBCE) Policy for Employees Articulates the standards of behaviour expected of employees in carrying out their duties. It establishes requirements for compliance with applicable laws and regulations and defines expectations relating to honest, transparent and ethical business practices. The policy covers areas including compliance, integrity, workplace conduct, business practices and conflicts of interest.	MSM Whistleblowing Policy Specifies the rules and principles governing complaint management, investigation processes and protection for whistleblowers within the Group. It defines oversight arrangements and assigns responsibilities within the whistleblowing reporting process. The policy includes provisions relating to confidentiality and the protection of whistleblowers. The policy statement is available on MSM’s corporate website.	Conflict of Interest Policy Prescribes requirements for individuals, including employees and third parties associated with the Group, to act in the best interests of the Group. It prohibits employees from engaging in activities that result in personal gain for themselves, their relatives, associates or third parties or that conflict with the interests of the Group.
Asset/Personal Interest Declaration (APID) Policy Establishes the rules and principles governing the submission and handling of asset and personal interest declarations by Directors and employees of the Group. It requires that assets and personal interests are acquired through lawful means, within individual financial capacity and without circumstances that give rise to conflicts of interest.	MSM Referral Policy Stipulates the rules and principles governing referrals of criminal matters, including fraud, bribery and abuse of power, to enforcement agencies. It defines requirements for compliance with referral protocols relating to the receipt of information, investigation outcomes and other related matters.	Sponsorships and Donations Policy Outlines the objectives and guidelines governing corporate sponsorships and donations within the Group. It defines the framework for evaluating sponsorships and donations requests and sets out the approval process on how decisions on corporate sponsorships and donations are made.
External Gift, Entertainment and Hospitality (GEH) Policy Provides the requirements governing the offering and acceptance of gifts, entertainment and hospitality. It establishes standards intended to prevent improper motives and situations that may give rise to undue influence on recipients.		

☰ For more information, refer to the Corporate Governance Overview Statement (CGOS) and the Statement on Risk Management and Internal Control (SORMIC) in this Report.

UPHOLDING GOOD GOVERNANCE AND RESPONSIBLE BUSINESS

Governance, Ethics and Integrity

Governance

The Board holds ultimate responsibility for promoting and upholding good governance in support of the Group’s strategies and operations. With the support of the AGRC, the Board oversees the Group’s compliance with its statutory and fiduciary obligations. This oversight covers financial reporting, governance practices, risk management and sustainability practices.

Within the governance framework, MSM maintains a separation between the roles of Non-Executive Chair and CEO.

The Board also maintains oversight of policy approvals as part of its governance responsibilities.

 For more information, refer to the Corporate Governance Overview Statement (CGOS) and the Statement on Risk Management and Internal Control (SORMIC) in this Report.

Whistleblowing

Our Whistleblowing Policy Statement is published on our corporate website and establishes a formal mechanism for internal and external stakeholders to report suspected wrongdoing. The scope of reportable matters includes bribery and corruption, fraud and misconduct. The policy outlines a confidential reporting channel accessible to both employees and members of the public and describes the requirements for confidentiality and the protection of whistleblowers, including safeguards against reprisal, harassment or retaliation.

The Whistleblowing Secretariat is responsible for the administration of the whistleblowing channel and receives all complaints and reports. Cases involving Senior General Managers and below are managed by the MSM Whistleblowing Committee (WBC), whereas cases involving Vice Presidents and above are overseen by the AGRC, ensuring appropriate oversight and segregation of duties.

IF YOU SEE ANY WRONG DOING OR MALPRACTICE, SPEAK UP SO WE CAN ALL CHANGE IT.

INFORMATION AND IDENTITY OF WHISTLEBLOWERS **WILL BE PROTECTED.**

WHO can make a whistleblowing report?

- Employees
 - Board of Directors
 - Shareholders
- Members of the public
 - Any party involved in a business relationship with the Group

HOW to make a whistleblowing report?

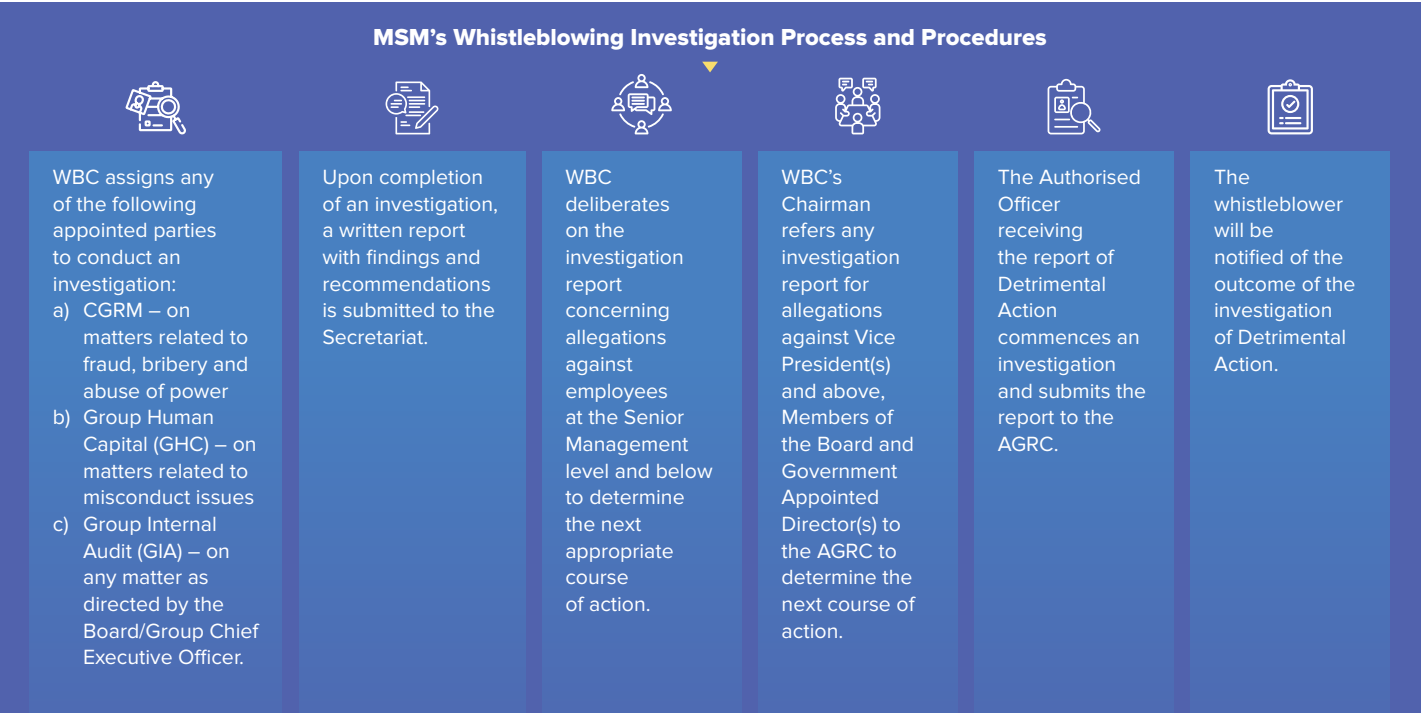
- Email your concerns to MSMWB@msmsugar.com
 - Fill in the e-form: <https://msmwhistleblowing-e-form.msmsugar.com>
 - Call the hotline at 03-21816827 secured voice recording
- Send a letter to:
MSM WB Secretariat
Level 44, Menara Felda, Platinum Park, No. 11
Persiaran KLCC 50088, Kuala Lumpur, Malaysia
 - In person: Whistleblower may file a complaint in person

WHAT types of wrongdoing can be reported?

- Breach of Company’s policies or code of conduct
 - Improper conduct
 - Unethical behaviour
- Actual/suspected fraud
 - Abuse of power

UPHOLDING GOOD GOVERNANCE AND RESPONSIBLE BUSINESS

Governance, Ethics and Integrity



Anti-Bribery and Corruption

We adopt a zero-tolerance position towards bribery and corruption. This position is defined through the Group’s Anti-Bribery Policy Statement, which is published on MSM’s corporate website and defines the requirements applied to prevent bribery and corruption within our operations. The same framework aligns with Paragraph 15.29 (1) and (2) of the Bursa Malaysia Listing Requirements and Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018), which set out the principles of Corporate Liability.

The policy statement clearly sets out guidelines to address:

Corruption	Fraud	Abuse of Power
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We uphold the principles of T.R.U.S.T. to ensure adequate procedures are in place to prevent and combat bribery and corruption.

	TOP LEVEL COMMITMENT	Board, Executive Leadership and Management
	RISK MANAGEMENT	Corruption Risk Management
	UNDERTAKE CONTROL MEASURES	Establishment and review of policies and procedures
	SYSTEMATIC REVIEW, MONITORING AND ENFORCEMENT	Regular review on performances, efficiency and effectiveness of the anti-corruption programme and ensure the enforcement
	TRAINING AND COMMUNICATION	Governance, Integrity and Risk education, awareness and periodic communication

UPHOLDING GOOD GOVERNANCE AND RESPONSIBLE BUSINESS

Governance, Ethics and Integrity

The Anti-Bribery Policy Statement is publicly available on MSM's corporate website and MSM's internal portal for reference and access by all relevant stakeholders.

Under the Organisational Anti-Corruption Plan (OACP), the corruption risks were assessed across all operations, with focus placed on operations identified as higher risk. The same assessments are used to identify exposure to inbound bribery, outbound bribery, false claims and abuse of power, which informs the application of internal controls and preventive measures across affected areas. These controls and measures are applied to manage areas identified as vulnerable to bribery and corruption risks.

OUR INITIATIVES

MSM Integrity Pledge
CGRM reintroduced the MSM Integrity Pledge across the Group and achieved a 99% participation rate across organisations. Launched in 2021, the pledge was extended to all employees, with mandatory participation from 1 May 2025 to 30 May 2025, reinforcing integrity, ethical conduct and personal accountability within our operations. CGRM also worked with Governance Champions at each MSM subsidiary to ensure consistent implementation and timely completion of the pledge exercise across all subsidiaries.

Chief Integrity and Governance Officers (CIGO) Symposium 2025
MACC, FELDA, FGV and MSM collaborated to organise the CIGO Symposium 2025 to advance corporate integrity and governance through knowledge sharing and cross-sector collaboration among the four parties. The symposium featured the Corruption-Free Pledge led by the Group CEO of FGV, followed

by the official signing by representatives from MSM and FELDA. A forum titled “Petugas Prihatin, Organisasi Berintegriti” was also held, with panellists from MACC and the corporate sector, who shared practical insights on effective and sustainable governance.

Engagement Session with MACC Education Division and FELDA's Integrity Department
CGRM held an engagement session with the MACC Education Division and FELDA's Integrity Department to explore collaboration on integrity implementation and anti-corruption training or seminars for MSM employees. The session was attended by MSM's former Acting Group CEO, CFO and CGRM Division.

Organisational Anti-Corruption Plan
We established the OACP as a roadmap to identify, assess and mitigate corruption risks across the organisation. Progress during the year included the development of an Integrity Survey to assess the Group's integrity standing and identify areas for improvement, with the outcomes guiding subsequent initiatives. The OACP includes Corruption Risk Management reviews and integrity assessments to support MSM's anti-corruption strategy and integrity enhancement programmes.

CGRM Roadshows
In 2025, CGRM roadshows were conducted to reinforce governance expectations and strengthen awareness of integrity, risk and compliance practices across key business units. These engagements served as a practical platform to align employees on required standards, clarify responsibilities and promote the consistent application of governance practices throughout the Group.

Anti-Bribery and Corruption Training Attendance by Employee Category

Employee Category	Number of Employees Who Attended Training	Total Number of Employees	Percentage (%) of Employees Who Attended Training
Senior Management	20	24	83
Manager	121	137	88
Executive	231	272	85
Non-Executive	588	741	79
Total	960	1,174	82

GOING FORWARD

Moving forward, we will intensify our commitment to ethical governance by reinforcing internal control mechanisms and implementing robust preventive measures to mitigate corruption risks. We will also strengthen leadership accountability and enhance risk management practices, ensuring full compliance with all applicable legal and regulatory requirements.

UPHOLDING GOOD GOVERNANCE AND RESPONSIBLE BUSINESS

Traceability,
Responsible
Sourcing and
Supply Chain
Management

Why It Matters

Responsible sourcing and traceability of our raw materials, particularly raw sugar, are material to our business because they are directly linked to the stability of our operations and have significant environmental, social and economic implications across our value chain.

As raw sugar is the primary input in our products, clear visibility of its origin is essential to maintaining a reliable and consistent supply of this critical material. This transparency also supports our ability to comply with evolving regulatory expectations on responsible sourcing, traceability and supply chain due diligence.

At the same time, it strengthens our ability to identify and manage risks that could affect our operations and financial performance, including operational disruption, market volatility and supplier performance issues. Together, these insights enable more effective engagement with suppliers, stronger oversight of their practices and greater accountability across our supply chain.

Our Approach

Our approach to managing responsible sourcing and traceability is guided by the MSM Group Trading Policy and the Raw Sugar Frame Supply Contract Standard Operating Procedures (SOPs). Together, these frameworks define our expectations for supplier conduct and procurement practices and set out how suppliers are overseen through FGV's Group Procurement, which is responsible for procurement activities across the Group.

As part of this framework, suppliers are assessed against defined evaluation criteria that incorporate ESG considerations, including labour rights, safety, quality and sustainability. Anti-bribery and anti-corruption requirements are also embedded within our procurement processes and form a mandatory component of supplier engagement. Prior to finalising agreements, we communicate our procurement guidelines to suppliers to ensure alignment with our standards and responsibilities.

OUR INITIATIVES

Supporting the Local Supply Chain Network

We engage local vendors and suppliers as part of our operations in Prai, Johor and Sungai Buloh to support the development of the surrounding business ecosystem and strengthen local economic participation. In 2025, local vendors accounted for 85% of our total vendor base.

To further enhance the efficiency and resilience of our supply chain, we are executing the following initiatives:

Managing our procurement activities through a centralised structure

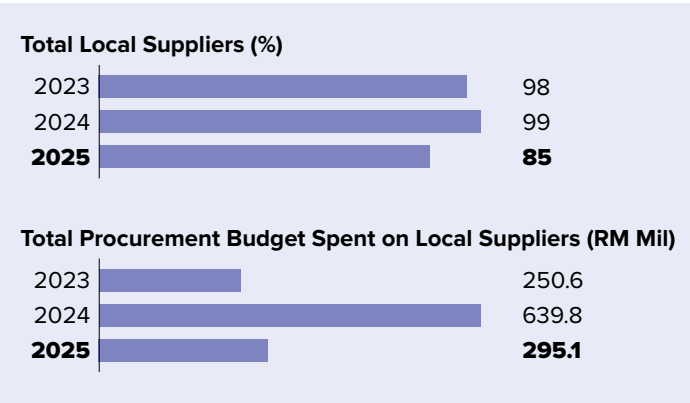
Progressively reducing our panel vendor base and continuing to engage only local suppliers that meet MSM's procurement standards

Implementing temporary pauses on new capital expenditure (CAPEX) projects and optimising existing inventory at our refineries

UPHOLDING GOOD GOVERNANCE AND RESPONSIBLE BUSINESS

Traceability, Responsible Sourcing and Supply Chain Management

These initiatives have enabled us to streamline supply chain management and achieve procurement cost savings.



Supplier Selection Process

Our supplier selection process prioritises transparency, efficiency and the continuity of long-term supplier relationships across procurement activities. In 2025, we introduced longer contract renewal periods to provide greater stability for our suppliers, resulting in cost savings of approximately RM2.99 million across our supply chain operations.

We are also committed to full compliance with applicable procurement regulations. To strengthen our governance, we have enhanced our supplier vetting process to include risk assessments covering supplier reliability and geopolitical risks, while integrating ESG considerations into our vendor assessments.

Supplier Selection Criteria

Experience
Manpower
Evaluation Criteria (including ESG element)
Screening
Marketing Survey
Price

Contracting Process

We have digitalised our Procurement Forms (PF) and Vendor Performance Evaluation (VPE) processes to improve efficiency in supplier contracting. This has reduced paperwork, enhanced transparency and strengthened accountability in our supplier onboarding and management. We also utilise an integrated digital system via Microsoft Teams to enable real-time tracking of supplier performance and contract execution.

Key Stages in the Contracting Process

The contracting process comprises the following key stages:



No Deforestation, No People Exploitation (NDPE) Sugar Policy

We renewed our commitment to the NDPE Sugar Policy with Wilmar Sugar Pte Ltd (Wilmar) for an additional two-year period in 2024, reaffirming the arrangement we first established in 2021 to adhere to sourcing and responsible supply chain management of sugar supply.

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What is NDPE Sugar?

- A traceability and responsible sourcing programme implemented in collaboration with Wilmar, which has an NDPE policy covering its sugar sourcing practices
- Supports greater visibility into raw sugar sources and supply chain traceability across mills and refineries

UPHOLDING GOOD GOVERNANCE AND RESPONSIBLE BUSINESS

Traceability, Responsible Sourcing and Supply Chain Management

MSM continues to strengthen traceability across its raw sugar supply chain. Based on available records for FY2025, traceability to mill level reached 99.2% for MSM Prai and 99.9% for MSM Johor.



UPHOLDING GOOD GOVERNANCE AND RESPONSIBLE BUSINESS

Traceability, Responsible Sourcing and Supply Chain Management

Sustainable Packaging

In 2025, total packaging consumption for sugar across our operations decreased by 16.4% year on year, driven mainly by lower usage of PP bags and PE film. For MSM Prai, the reduced usage of PP bags was primarily due to lower production during the year.

We continued to review packaging-related practices across our operations and supply chain, with ongoing efforts focused on improving efficiency and reducing packaging waste where feasible.

The following table outlines our annual packaging consumption for sugar across our operations:

Packaging Consumption (tonnes)	2023	2024	2025
PP bags	1,479	1,232	749
Paper bags	83	67	54
Craft paper	75	302	240
PE film	3,269	3,491	3,216
Total	4,906	5,092	4,259

Packaging Consumption (tonnes) by Location	2023			2024			2025		
	MSM Johor	MSM Prai	SBW	MSM Johor	MSM Prai	SBW	MSM Johor	MSM Prai	SBW
PP bags	691	788*	N/A	359	757*	116	284	373	92
Paper bags	25	58*	N/A	0	67	0	0	54	0
Craft paper	N/A	75*	N/A	38	75*	189	31	54	155
PE film	1,298	1,971*	N/A	843	2,031	617	873	1,823	520

* Restated data.

Waste Reduction Within Our Operations



Exploring the use of lightweight polymer materials to support more efficient material usage



Assessing stretch film as an interim option in support of more sustainable packaging practices



Engaging Newton R&D Center to review packaging settings and existing film usage at MSM Johor and MSM Prai to identify potential areas for improvement

GOING FORWARD

Moving forward, we will continue to strengthen our partnerships with local suppliers while upholding our standards for quality and sustainability in procurement. To align with the NDPE Sugar Policy and enhance transparency and accountability across our supply chain, we will place continued emphasis on improving traceability reporting for our sugar products.

In light of ongoing global pressures affecting sugar supply and price volatility, we will adopt a cautious approach to raw sugar procurement. We will also continue to utilise hedging mechanisms to manage pricing exposure in line with market conditions.

UPHOLDING GOOD GOVERNANCE AND RESPONSIBLE BUSINESS

Operational Performance

Why It Matters

Refinery Operations is the foundation of the organisation's value creation chain. To ensure sustainability for the business and the stakeholders in the industry and to maintain a continued supply of quality sugar to the nation and the industries it caters to, Group Operations focuses on operational excellence to guarantee the delivery of our products sustainably. As Malaysia's leading sugar producer, we supply domestic and international markets through well-organised and systematic operational practices. MSM has the responsibility to conduct our operations in a sustainable way for continued success and growth.

We prioritise continuous improvement of operations and processes to enhance our competitiveness, aligning production with consumer demand and uphold cost discipline. This strengthens our financial stability and supports the sustainability of our business over the long term.

Through our operational excellence, we also generate meaningful economic value and contribute positively to the communities surrounding our operations.

Our Approach

Our approach to sustainable operations focuses on three core principles: Safety, Reliability and Quality. Together, these principles contribute to the long-term sustainability of the business.

Safety

Our commitment to safety has been demonstrated consistently over the years, as reflected in the safe working environment maintained across all our operating locations, our safety performance statistics and the external recognition we have received. This provides a strong foundation for our operations, enabling performance and continuous improvement to remain key drivers of sustainable operations.

Reliability

We maintain reliable refinery operations by implementing proper maintenance planning, executing preventive maintenance and carrying out scheduled shutdowns. These established maintenance practices support reliable operations, sustained production capacity and consistent product quality by minimising unplanned shutdowns and reducing potential losses. A reliable refinery helps ensure the continued supply of sugar and avoids market disruption. This consistency strengthens confidence in our ability to sustain operations. It also contributes to a safer working environment by reducing breakdowns and the risk of operational failures. With these efforts in place, our operations are better positioned to meet market demand at any given time and build the operational resilience required.

Quality

Group Operations focus on maintaining quality standards through stringent monitoring and control throughout the refining process, from raw sugar quality to packed sugar products. This focus on quality reduces losses and preserves the value of our products. With rejection rates of less than 0.1% of total production volume in 2025, we have been able to maintain our reputation among customers both domestically and internationally.

Sustainability

With all three focus areas in place, the business is able to produce quality sugar in a reliable, responsible and sustainable manner to meet industry demand. This supports the continuous and stable supply of sugar for the nation while maintaining a safe working environment for our employees and other stakeholders.

OUR INITIATIVES

Implementation of a Computerised Maintenance Management System (CMMS)

We are implementing a CMMS to centralise maintenance data and strengthen preventive maintenance practices across our operations. By consolidating equipment records, work orders and scheduling into a single system, the CMMS supports a shift from reactive repairs to more structured, proactive maintenance planning. This improves visibility of asset condition and maintenance priorities, helping to maximise equipment lifespan, reduce unplanned downtime and optimise maintenance costs. The system has been completed at MSM Johor and is currently being rolled out at MSM Prai, with further enhancements expected as data quality and utilisation mature.

UPHOLDING GOOD GOVERNANCE AND RESPONSIBLE BUSINESS

Operational Performance

Clean and Inspect Programme

We continue to enhance equipment reliability through our Clean and Inspect Programme, which applies structured maintenance methodologies to improve operational ownership and adherence to standards. The programme focuses on maintaining equipment cleanliness, identifying abnormalities early and strengthening routine inspection practices to prevent defects from escalating into breakdowns. By embedding consistent standards and accountability at the operating level, the initiative supports improved equipment performance, higher efficiency and greater stability in day-to-day operations. Over time, this approach is expected to contribute to fewer unplanned stoppages and more predictable operational outcomes.

Construction of Shelters at Sungai Buloh Warehouse (SBW)

To improve operational continuity during adverse weather conditions, we are constructing additional shelters at SBW to support more efficient sugar handling and loading activities. The shelters are designed to minimise disruptions caused by rain by providing better protection during loading operations, enabling smoother workflow and reducing delays. This enhancement is also expected to increase the number of trucks that can be actively loaded at any given time, thereby improving logistics efficiency and supporting more reliable distribution during peak demand periods.

Enhancement of Value-Added Product Offerings

To strengthen product diversification and create greater value across our operations, we are enhancing the production capability and capacity of value-added products within our refineries while also collaborating with third parties to broaden our product offerings. This initiative supports the Group's efforts to better meet evolving customer needs through a wider range of specialised sugar products, including liquid sugar, fine syrup and premix sugars. By expanding our value-added product portfolio, we aim to improve market responsiveness, unlock new revenue opportunities and reinforce our competitive position in higher-value customer categories.

Balancing Utilisation with Efficiency

The Group's operational performance in 2025 reflected a focused, demand-led approach. The Group's utilisation factor (UF) moderated to 49% as production was calibrated to demand requirements and inventory management objectives, prioritising margin protection and cash flow over volume growth.

Despite the lower UF, MSM sustained strong manufacturing efficiency, with yield performance remaining high at 96.0%. This underscores continued process stability and stringent quality control, ensuring operational reliability while maintaining flexibility to respond to market conditions.



GOING FORWARD

Moving forward, Group Operations will continue to build on the three core principles of Safety, Reliability and Quality to strengthen operational sustainability and efficiency across the Group. In 2026, we will remain focused on advancing strategic initiatives that reinforce manufacturing efficiency, productivity and operational resilience through a unified operational approach. This includes managing production costs and applying market-driven strategies to support competitive positioning and optimise asset utilisation across the Group.

UPHOLDING GOOD GOVERNANCE AND RESPONSIBLE BUSINESS

Data Security and Protection

Why It Matters

Digitalisation has increased our use of information systems across all areas of our business, which has also increased our exposure to risks linked to information security and data privacy. Protecting information and maintaining data privacy are therefore necessary for maintaining stakeholder trust and upholding our ethical business practices.

The rise in cyber threats directly affects the security of our sensitive information, making data protection a critical operational concern for us. At MSM, we address this risk by actively strengthening data security measures to reduce the likelihood of operational disruption and minimise the impact of incidents such as data breaches or cyberattacks, ensuring that data privacy is consistently protected in our day-to-day operations.

Our Approach

We comply with the Personal Data Protection Act 2010 (PDPA) and manage our data protection obligations with reference to the Personal Data Protection (Amendment) Act 2024. These regulatory requirements govern how we collect, process, store and dispose data across our operations, requiring secure and responsible handling at every stage.

To meet these requirements, we implement security measures that prevent unauthorised access, use, disclosure, modification or destruction of data, protecting both its integrity and confidentiality. We also regularly review our internal controls and data protection practices to manage the legal and reputational risks associated with data handling.

As part of our continuous improvement efforts, we are strengthening our IT policies and procedures to reinforce cybersecurity controls that support our existing data protection measures. In parallel, we are developing an Information Security Management System to support the organisation's objective of achieving ISO 27001:2022 certification. Additionally, we are establishing a structured cyber drill exercise as part of our operational preparedness framework, enabling our employees to apply established security protocols and respond promptly and effectively to potential cyber incidents.

OUR INITIATIVES

In 2025, we completed the following Data Security and Protection initiatives.

Deploy Data Loss Prevention (DLP)

To strengthen data protection across the organisation, we deployed DLP measures in 2025, including a robust USB blocking mechanism for all users. Inbound and outbound access was also segregated specifically for non-executive personnel to enhance control over data movement. This initiative was aimed at reducing the risk of unauthorised data transfer, strengthening information governance and improving overall visibility and control over sensitive data handling.

IN 2025, WE RECORDED THE FOLLOWING :

Zero substantiated complaints concerning breaches of customer privacy and losses of customer data

Zero substantiated complaints concerning breaches of customer privacy and losses of customer data received from outside parties

Zero substantiated complaints concerning breaches of customer privacy and losses of customer data received from regulatory bodies

UPHOLDING GOOD GOVERNANCE AND RESPONSIBLE BUSINESS

Data Security and Protection

Strengthen Endpoint Detection and Response (EDR)

We enhanced our threat detection and response capabilities by strengthening our EDR framework through the deployment of Extended Detection and Response (XDR) capabilities, together with Attack Surface Risk Management (ASRM) tools. This initiative was undertaken to improve threat visibility across the Group's digital environment, enabling earlier identification of risks and more effective mitigation of potential cyber incidents.

Advance Threat Intelligence

To further reinforce cyber resilience, we advanced our threat intelligence capabilities in 2025 by leveraging enhanced monitoring and detection tools to strengthen our ability to identify and assess emerging cyber threats. This initiative supports more proactive threat management by improving visibility over vulnerabilities and suspicious activities across the digital environment. By strengthening our intelligence-led approach, we are better positioned to anticipate cyber risks, respond in a timely manner and reduce exposure to potential security incidents.

Purchase Cyber Insurance

As part of our broader risk management approach, we purchased cyber insurance in 2025 to mitigate residual cyber risks through financial protection against potential high-impact cyber incidents. This initiative strengthens business continuity and governance assurance by reducing the financial exposure associated with cybersecurity events, while supporting the Group's overall enterprise resilience.

Implementation of Zero Trust Architecture

We also progressed the implementation of a Zero Trust Architecture in 2025 by establishing a stronger Identity and Access Management (IAM) framework. This initiative aimed to secure access rights more effectively, enforce granular controls and strengthen identity governance across the organisation. By enhancing access management and verification measures, we are reinforcing our security foundation and reducing the risk of unauthorised access to systems and data.

GOING FORWARD

In 2026, we will continue strengthening our data security and protection practices by focusing on robust governance and proactive cyber resilience. A key priority will be to further advance our journey towards ISO/IEC 27001:2022 certification through the continued development and maturity of our Information Security Management System (ISMS). This includes embedding information security controls into business-as-usual processes, strengthening risk assessment and treatment measures, and promoting sustained Management oversight and employee awareness in line with international best practices.

At the same time, we will continue to enhance our threat monitoring initiatives implemented in 2025 by leveraging advanced security tools and close vendor collaboration to strengthen visibility over cyber threats, including ransomware, phishing and endpoint-related risks. These efforts will support earlier detection, timely response and improved incident readiness. Together, these initiatives will reinforce MSM's security posture, support regulatory compliance, safeguard sensitive data and strengthen business continuity in an increasingly complex digital threat landscape.

UPHOLDING GOOD GOVERNANCE AND RESPONSIBLE BUSINESS

Business
Development
and Product
Quality

Why It Matters

Business development and product quality are critical to our long-term success, as they directly shape the Group's ability to grow responsibly. A strong approach to business development enables us to secure new opportunities for our sustainable growth, strengthen partnerships as well as our market position. In parallel, robust product quality standards ensure customer confidence, maintain compliance with industry requirements and expands our market presence. Together, these priorities support MSM's long-term resilience and sustainable performance.

Our Approach

At the core of our operations is the supply of sugar products to domestic and international markets, while ensuring consistent and robust controls over product quality. This approach places food safety and Halal integrity as vital compliance requirements, with operations aligned to all applicable regulatory and industry standards. Our policies are reviewed and updated in response to evolving market requirements, reinforcing Gula Prai's standing as a trusted household brand in Malaysia and ensuring alignment with quality expectations. We embed transparency in our operations and work closely with certified suppliers to support accountability across the supply chain.

Our product recall and traceability procedure further reinforces this emphasis on quality and accountability by safeguarding product integrity and consumer safety. Our procedure defines processes, roles and responsibilities for managing potential food safety incidents in a structured and controlled manner.

We maintain operational readiness through regular testing of our recall procedure, conducted annually or as required. Our testing includes a mock recall with a target completion time of four hours and a recall effectiveness level of 95% to 105%. We also assign production batch codes to all finished products to enable traceability of raw sugar, processing aids and packaging materials used in production.



- ISO 9001 (Quality Management System)
- ISO 22000 (Food Safety Management System)
- FSSC 22000 (Global Food Safety Initiative benchmarked Food Safety Certification Scheme)
- HACCP, Halal and Kosher Certifications
- ISO 45001 (Occupational Health and Safety Management System)

UPHOLDING GOOD GOVERNANCE AND RESPONSIBLE BUSINESS

Business Development and Product Quality

Additionally, our products are produced in accordance with Halal and Kosher requirements, with certification issued by Jabatan Kemajuan Islam Malaysia (JAKIM) and the London Beth Din Kashrut Division. These certifications apply to products supplied beyond the domestic market and establish the criteria that govern acceptance in those markets.

Furthermore, both MSM refineries underwent a Sedex Members Ethical Trade Audit (SMETA) assessment. The assessment reviewed operational practices against defined labour, health and safety, environmental and business integrity standards using a recognised audit methodology applied across the supply chain industry.

We collect stakeholder feedback through multiple established channels, including the corporate website, an official phone line, email and social media platforms. Our sales representatives also engage customers using structured surveys, designed to capture feedback across defined areas, including but not limited to:



GOING FORWARD

Moving forward, we will strengthen customer engagement to improve our understanding of customer needs, which will guide the refinement of benchmarking practices in line with industry practices and market expectations. This approach requires food safety and quality practices to be applied consistently across the organisation. To support this focus, we will ensure that responsibilities related to quality are clearly defined within existing operational processes so that quality-related matters are identified and addressed as part of day-to-day operations.

PUTTING OUR PEOPLE FIRST

Occupational
Health and
Safety

Why It Matters

At MSM, we prioritise Occupational Health and Safety (OHS) to protect our workforce and support reliable manufacturing operations across MSM's manufacturing and processing sites. As a manufacturing organisation, ineffective health and safety management can lead to workplace injuries, operational disruptions, regulatory non-compliance and reputational impacts, ultimately affecting employee morale and business continuity. Therefore, we are committed to strengthening our OHS governance and risk controls to reduce workplace risks, safeguard employee wellbeing and support consistent operational performance for employees, contractors and service providers.

Our Approach

We manage OHS through a structured management system aligned with international and local standards, including:

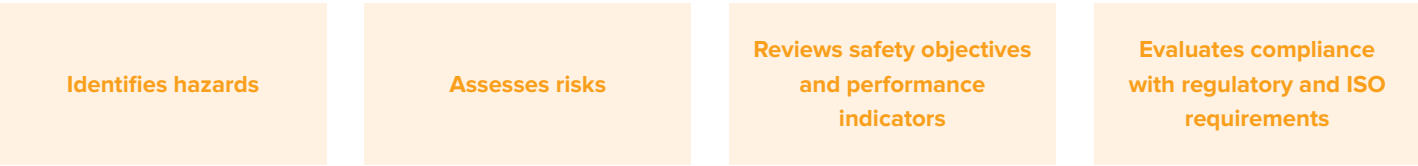
- Occupational Safety and Health (Amendment)
Act 2022
- ISO 45001:2018 Occupational Health and Safety
Management Systems

All manufacturing and processing sites operate under an ISO 45001:2018 certified Occupational Safety and Health Management System (OSHMS), supported by site-level implementation and oversight.

Governance and Oversight

Health, Safety and Environment (HSE) matters are discussed in the overall operational performance at the respective Boards of MSM Prai and MSM Johor that oversee health and safety matters, while site-based HSES Departments manage our daily implementation, monitoring and reporting.

Our dedicated OHS Review Team, comprising Management Representative, Safety and Health Officer and OHS Area Representatives, oversees regular safety assessments and audits. The team:



We manage workplace risks through Hazard Identification, Risk Assessment and Risk Control (HIRARC), with reviews triggered by changes to processes, materials, equipment or services.

Worker Participation and Reporting

Employees can report safety concerns through their supervisors or Safety and Health Committee members. We enable workers to remove themselves from unsafe situations without fear of reprisal through U See U Act (UCUA) reporting. We reinforce this right through hazard awareness training, defined escalation protocols and a clear commitment to non-retaliation principles.

PUTTING OUR PEOPLE FIRST

Occupational Health and Safety



OUR INITIATIVES

In 2025, we reinforced our occupational health and safety framework to strengthen control reliability and clarify accountability across sites. The focus remained on ensuring preventive measures are consistently applied, that risk exposures are identified early and that lessons from incidents inform continuous improvement.

Strengthening Safety Management Practices

Safety management efforts focused on maintaining effective governance and reducing variability in the application of controls across operational sites. Regular audits and compliance assessments were conducted to verify adherence to regulatory and internal requirements. Risk-based inspections and HIRARC reviews examined whether identified hazards were adequately controlled and whether safeguards remained effective as operational conditions evolved.

Contractor safety oversight remained a priority, particularly for higher-risk activities. Incident investigations assessed contributing factors and potential control gaps, with corrective actions tracked through to completion. Performance monitoring was used to identify trends and inform refinements to risk controls where necessary.

Supporting Workforce Health and Wellbeing

Occupational health initiatives emphasised prevention and early detection of exposure risks. Health surveillance and medical monitoring programmes were conducted to identify potential occupational concerns before escalation. Workplace hygiene assessments and exposure control measures were implemented to manage environmental conditions and safeguard employee wellbeing.

Ergonomic assessments addressed task-related strain to reduce musculoskeletal injury risk. Emergency preparedness drills were conducted to maintain response readiness and reinforce familiarity with emergency procedures.

Building Competency and Awareness

Competency development focused on strengthening practical risk awareness and reinforcing role-based accountability within existing safety frameworks. Induction and refresher programmes ensured employees remain aware of operational hazards and the controls in place to manage them.

Leadership engagement initiatives reinforced oversight responsibilities at supervisory and Management levels. Toolbox briefings and targeted safety campaigns focus on priority risk exposures. Defined reporting channels supported timely communication of safety concerns and enabled early intervention.

Insights from incidents and observations were used to refine procedures and improve barrier effectiveness. While risk cannot be eliminated entirely, maintaining resilient safeguards remains central to protecting our workforce.

Across safety management, health protection and competency development, MSM's initiatives aim to ensure that hazards are identified early, controls remain effective and accountability is clearly defined. By reinforcing these fundamentals, the Group strengthens risk prevention and supports consistent operational delivery.

SAFETY MANAGEMENT

We manage safety through defined controls, monitoring routines and assurance processes designed to reduce exposure before incidents occur. Key initiatives include:

- Daily safety indicator monitoring
- Regular workplace inspections
- Quarterly HSE and Safety & Health Committee meetings
- Monthly safety performance reporting
- GEMBA walks and UCUA reporting
- Emergency response drills
- HIRARC assessments, supported by Job Safety Analysis
- Permit to Work system implementation
- Risk and opportunity management processes

System Reinforcement

- Implementation of Gatepass System 2.0
- Comprehensive CCTV assessment
- Strengthening Safety Culture Through Digital Engagement
- ISO 45001 recertification across MSM Prai, MSM Johor and SBW
- ISO 14001 recertification reinforcing environmental risk controls linked to operational safety
- ISO 39001 Road Traffic Safety Management System – Stage 1 Certification Audit successfully completed by MSM Logistics with certification targeted to be achieved in 2026

PUTTING OUR PEOPLE FIRST

Occupational Health and Safety

HEALTH SERVICES

We provide essential health services to support employee wellbeing and early risk detection. These include:

- On-site clinic doctor at MSM Prai and medical assistant at MSM Johor
- First Aid facilities across all sites
- Regular health surveillance and screening programmes
- Mental health awareness initiatives
- Employee health promotion activities
- Automated External Defibrillator (AED) availability

TRAINING AND COMMUNICATION

We reinforce safe work practices through ongoing training and internal communication. Key initiatives include:

- Monthly newsletters
- Safety inductions for new employees
- HSE Week activities
- 21,694 hours of safety training
- Toolbox talks
- Competency-based training programmes
- Internal communication through meetings, briefings and memorandum

Cultural Reinforcement

- Launch of MSM HSES Safety Spark platform to promote safety culture awareness
- Launch of Safe Voice platform to strengthen HSES speak-up and engagement
- Safety induction and refresher training conducted every six months

OUR PROGRESS

Our occupational health and safety performance in 2025 reflects our ongoing efforts to manage workplace risk through strategic initiatives and enhanced monitoring systems.

Workplace Safety Performance

While maintaining our target of zero fatalities across operations, the Group recorded 11 workplace incidents among employees and four incidents among contractors, with a Lost Time Injury Frequency Rate (LTIFR) of 2.14, compared to 0.29 in 2024. Among employees, 23 work-related illnesses were reported, compared to 45 cases in the prior year. To enhance contractor safety, we expanded quarterly contractor safety audits, introduced random drug testing for contract workers and reinforced road safety compliance for logistics personnel. The primary types of incidents involved workers being caught in between machinery.

Work-Related Injuries for Employees	2023	2024	2025
Workplace Fatalities	0	0	0
High-consequence Work-related Injuries	7	2	10
Recordable Workplace Injury	7	0	11

Work-Related Injuries for Contractors	2023	2024	2025
Workplace Fatalities	0	0	0
High-consequence Work-related Injuries	2	0	4
Recordable Workplace Injury	2	0	0
Total Working Hours for All Employees and Contractors (Hours)	6,371,536	6,964,096	7,006,535

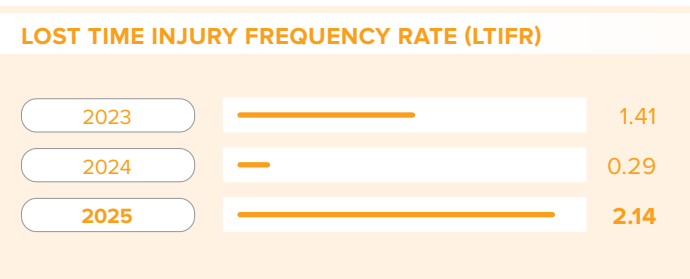
Notes:

1. High-consequence work-related injuries are classified as those requiring more than four days of medical certificate (MC).

2. Recordable work-related injuries are classified as accidents requiring more than one day of MC.

PUTTING OUR PEOPLE FIRST

Occupational Health and Safety



LTIFR increased to 2.14 in 2025, compared to 0.29 in 2024. The increase was primarily associated with incidents occurring outside core production and process areas, relating to general workplace safety exposures rather than failures of process safety controls.

No high-consequence or major process-related safety events were recorded during the year. Core manufacturing safety controls and the ISO 45001:2018 management system continued to operate throughout the reporting period.

While the increase affected the LTIFR calculation, it does not indicate a breakdown of core process safety controls. In response, MSM implemented corrective actions to improve hazard awareness, strengthen movement safety controls and reinforce general workplace risk management across both operational and non-operational areas.

MSM remains committed to reducing overall incident rates through broader risk management coverage across both operational and non-operational environments.



Incident Management and Response
We investigate all reported incidents promptly through our Investigation Committee to identify root causes and contributing factors. These investigations inform targeted improvements to safety controls and work practices. The *U See U Act* programme facilitated the reporting of 2,675 unsafe acts and unsafe conditions, enabling prompt corrective actions and strengthening the organisation’s proactive safety culture. Each investigation incorporates HIRARC methodology to assess existing control measures and identify necessary improvements. During the year, we conducted 11 HIRARC review sessions with all respective departments following incidents and proactive assessments as part of our regular safety management cycle.

Training and Competency Development
We deliver targeted health and safety training to build our workforce competency and safe operations. During the reporting period, we delivered 21,694 hours of health and safety training sessions across our manufacturing and processing sites. This included mandatory safety inductions for new employees, refresher training for existing staff and specialised programmes for high-risk operations.

PUTTING OUR PEOPLE FIRST

Occupational Health and Safety



Safety Management System Enhancement
We maintain our ISO 45001:2018 certification across manufacturing and processing sites through regular internal reviews and external audits. This included conducting 12 internal and external safety audits to identify areas for improvement.

A Sedex Members Ethical Trade Audit (SMETA) assessment conducted in 2025 identified that certain fire-related licenses, inspections or certificates were not in place as required under regulatory provisions at MSM Johor. Additional compliance requirements were subsequently identified by the Fire and Rescue Department for Fire Certificate approval.

We initiated corrective actions and are working with the relevant authorities to complete the rectification process. The matter remains under follow-up pending confirmation of inspection outcomes and regulatory approval.

Recognition and Safety Culture
In 2025, MSM entities received recognition from the Malaysian Industrial Safety and Health Association (MISHA) and the Malaysian Society for Occupational Safety and Health (MSOSH) for occupational safety and health performance across our manufacturing and logistics operations. MSM Prai received multiple awards at the MISHA Asia Excellence Awards on OSH Principles of Prevention, while several operating sites were acknowledged at the 43rd MSOSH Awards. These awards reflect the continued application of preventive safety controls, risk management practices and leadership oversight across our sites.

We continue to advance our safety culture from compliance-driven practices toward stronger individual and shared accountability. Guided by our Safety Culture Progression Model, we are progressing toward an interdependent safety culture in which employees take responsibility not only for their own safety but also for that of their colleagues.

 Further details of the awards received are set out on page 14 of this Report.

GOING FORWARD

In response to our 2025 safety performance, we will advance the MSM 3S Safety Drive as an organisation-wide initiative to strengthen preventive controls and accountability across operational and non-operational areas.

As part of this initiative, we will focus on targeted interventions in high-exposure activities to address key LTIFR drivers, extend safety coverage beyond core production areas and enhance early hazard reporting and near-miss management. Contractor risk governance and strengthened HIRARC validation will remain central to improving control consistency across sites.

Leadership accountability, focused training and consistent application of safety standards will support implementation. These measures are intended to reduce incident frequency and support MSM’s progression toward an interdependent safety culture by 2027, reinforcing sustained improvement in safety performance.

PUTTING OUR PEOPLE FIRST

Upholding
Human
Rights and
Labour
Standards

Why It Matters

Respect for human rights underpins MSM's ability to maintain a stable workforce, manage operational risks and uphold ethical business conduct. Sound labour practices support workforce well-being, regulatory compliance and constructive industrial relations, while reinforcing trust among employees, customers and other stakeholders. Effective human rights management also supports MSM's broader sustainability objectives by promoting fair, inclusive and responsible employment practices across our operations.

Our Approach

MSM prioritises the effective implementation of strong human rights and labour standards. Our practices align with international human rights frameworks, including the Universal Declaration of Human Rights (UDHR), the UN Guiding Principles on Business and Human Rights (UNGPs) and International Labour Organization (ILO) principles. These commitments are implemented in accordance with applicable Malaysian employment laws and regulations, including the Employment Act 1955, the Industrial Relations Act 1967, the Trade Union Act 1959 and the Children and Young Persons (Employment) Act 1966.

OUR INITIATIVES

Sedex Members Ethical Trade Audit (SMETA) assessments were conducted at MSM's Prai and Johor facilities in 2024, which provided assurance on alignment with fair labour practices and applicable international standards. Within the context of human rights and labour standards, the assessments focused on ethical recruitment and compliance with labour-related requirements to support responsible employment across operations. Based on the assessment outcomes, we continue to reinforce fair and responsible employment practices by implementing and monitoring relevant labour-related controls and internal procedures. Engagement with relevant stakeholders, including regulatory authorities, supports the protection of employees' fundamental rights, with emphasis on the following areas:

Labour Standards and Best Practices

- Integrating human rights principles and standards into internal policies, procedures and practices
- Complying with national employment legislations primarily wages, working hours, working conditions, employee rights, overtime payments, maternity leaves, paternity leaves, sick leaves, public holidays and protection of female employees
- Monitoring recruitment activities to prevent forced labour, avoid child labour abuse and protect personal data

Trade Unions

- Protecting employees' freedom to participate in independent labour organisations
- Safeguarding union establishment at MSM Prai since 1973 and MSM Johor since 2021
- Conducting Collective Agreement (CA) bargaining with workers' unions on terms and conditions of employment
- Carrying out CA bargaining every three years
- Safeguarding equivalent employment standards for employees not covered by CAs in accordance with the Employee Handbook
- Maintaining a standard four-week notification period for significant operational changes, as specified in the CAs

PUTTING OUR PEOPLE FIRST

Upholding Human Rights and Labour Standards

OUR PROGRESS

Percentage of Total Employees Covered by Collective Bargaining Agreements

Company	Total Headcount	Union Members	Percentage %
MSM Prai	477	355	74
MSM Johor	366	265	72

Union Membership	2023	2024	2025
MSM Prai	341	423	355
MSM Johor	211	256	265
Total	552	679	620

Union Type	2024		2025	
	National	In-House	National	In-House
Pax	256	423	265	355
Total	256	423	265	355

NUMBER OF SUBSTANTIATED COMPLAINTS CONCERNING HUMAN RIGHTS

In 2025, MSM recorded

zero

substantiated complaints concerning human rights violations



GOING FORWARD

We will continue strengthening our management of human rights and labour standards by reinforcing fairness and inclusive employment practices as well as supporting a respectful workplace culture. Our focus areas include enhancing workforce engagement, maintaining a safe working environment and aligning internal practices with evolving regulatory and stakeholder expectations.

PUTTING OUR PEOPLE FIRST

Employee Engagement and Talent Management

Why It Matters

Employee engagement and talent management are critical to the sustainability of the Group's business operations. An engaged workforce supports consistent performance, operational reliability and effective execution across the organisation. Strong talent management practices also help stabilise the workforce, reduce turnover and preserve critical skills required for ongoing operations.

Maintaining regular engagement with employees enables the Group to understand workforce expectations, identify emerging capability gaps and anticipate retention risks. These insights inform workforce development and workplace practices that support employee performance and career progression, while fostering a positive, disciplined work culture. Collectively, these efforts strengthen organisational resilience and support the Group's ability to meet operational requirements and longer-term business objectives.

Our Approach

The Group approaches employee engagement and talent management through mechanisms that support workforce stability, capability development and retention of critical skills. Employee well-being and engagement are addressed through consistent listening channels and clearly defined employment practices, recognising their role in sustaining performance and reducing workforce-related risks. The employee engagement strategy is anchored on the following core elements, which reflect the Group's expectations for workplace experience and people management practices:

- People Happiness Index
- MSM Employment-related Policies and Standard Operating Procedures (SOPs)

To support these core elements, we integrate three essential practices: Recruitment and Talent Acquisition, Learning and Development and Talent Management. These practices guide how we attract, develop and retain skilled employees and operate alongside our People Happiness Index and established employment policies. Together, they form a coherent system that support sustainable workforce planning, capability building and succession needs while enabling employee development.

RECRUITMENT AND TALENT ACQUISITION

The Group applies a talent acquisition process that begins with workforce planning and extends through candidate screenings and selections. This process is designed for individuals with the required skills, experience and mindset to contribute effectively and develop with the Group. Recruitment practices are applied consistently for Full Time Employees (FTE) and Fixed Term Contract (FTC) roles, supporting workforce continuity and capability needs.

LEARNING AND DEVELOPMENT PRACTICE

Our learning and development framework focuses on building competencies aligned with MSM's strategic objectives. Training programmes and skills development initiatives are designed to strengthen role-specific capabilities, support performance improvement and prepare employees for future responsibilities.

TALENT MANAGEMENT PRACTICE

We manage talent development through building leadership capability and succession planning. This includes identifying high-potential employees and providing targeted development opportunities to build leadership readiness. These practices support internal talent pipelines and secure the organisation's future leadership needs while supporting individual career aspirations.

PUTTING OUR PEOPLE FIRST

Employee Engagement and Talent Management

OUR INITIATIVES

The Group translates our employee engagement and talent management approach into targeted initiatives that strengthen workforce capability, reinforce cultural expectations and support employee well-being. These initiatives reflect priorities identified through engagement feedback, operational requirements and leadership development needs.

Across the reporting year, programmes were delivered to enhance communication between Management and employees, strengthen people management capabilities and provide welfare support aligned with workforce expectations. Together, these initiatives support a workplace environment that values participation, accountability and continuous development.

Employee Engagement Events and Activities

TOWNHALLS

- Two townhall sessions were conducted across the Group to facilitate direct communication between management and employees



EMPLOYEE ENGAGEMENT SESSIONS

- Regular engagement activities were carried out at MSM Prai and MSM Johor
- Focus group discussions were conducted to gather feedback and address workplace concerns

WAKALAH AND WELFARE PROGRAMMES

- Financial assistance provided to employees affected by emergencies
- Healthcare assistance extended to employees and families
- Educational assistance programmes to support employees' children



FESTIVAL CELEBRATIONS

- Group-wide celebrations of major festivals to promote cultural understanding
- Distribution of festive treats and organisation of communal activities



PUTTING OUR PEOPLE FIRST

Employee Engagement and Talent Management

Employee Welfare and Benefits

The Group provides employee welfare and benefits designed to support well-being and work-life balance across the workforce. These benefits are available to all employees and include:

Flexible Hours	Hybrid Work Arrangements	Conducive Work Environment	Bimonthly Complimentary Sugar Allocation
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In addition, full-time employees receive enhanced benefits aligned with statutory and market practices, including:

Group Hospital and Surgical coverage	Group Term Life Takaful	Group Personal Accident insurance
Outpatient medical care	Additional 4% employer EPF contribution	Employee Insurance Coverage

Parental Leave

Parental Leave Performance	Men	Women	Total
Number of Employees Entitled to Parental Leave	746	127	873
Number of Employees Who Took Parental Leave	62	17	79
Number of Employees Who Returned to Work After Parental Leave Ended	62	17	79
Number of Employees Who Returned to Work After Parental Leave Ended and Were Still Employees 12 Months After Their Return to Work	62	17	79
Return to Work Rate	100%	100%	100%

People Happiness Index Survey

The People Happiness Index survey was conducted during the reporting year to assess employee satisfaction and engagement across the Group. The survey achieved a response rate of 81%, providing insights into workforce sentiment and engagement levels across operations. This compares against a 91% response rate recorded in 2024, which exceeded the 74% target set in 2023.

The survey results informed Management's understanding of engagement drivers, strengths and areas requiring further attention. Insights from the survey inform employee engagement initiatives and support data-informed decisions on workforce well-being and people management practices.



PUTTING OUR PEOPLE FIRST

Employee Engagement and Talent Management

TALENT MANAGEMENT

Learning and Development

In 2025, the Group invested in targeted learning and development initiatives to strengthen workforce capabilities and support operational requirements. These initiatives are delivered through:

LEADERSHIP AND SUPERVISORY CAPABILITY

- Strengthening accountability and decision-making
- Enhancing supervisory oversight and performance management
- Building practical people management capability

PROFESSIONAL AND OPERATIONAL CAPABILITY

- Developing process improvement and analytical capability
- Reinforcing role-specific technical competency

BEHAVIOURAL AND WORKPLACE EFFECTIVENESS

- Enhancing professional communication and collaboration
- Strengthening emotional awareness and conflict resolution
- Promoting respectful workplace conduct

Leadership and Supervisory Capability

Leadership-focused programmes including Art of Managing People, HR for Non-HR Manager and Take Charge! were delivered to strengthen managerial judgement and people management effectiveness. These programmes emphasised personal accountability, clarity in decision-making and the ability to identify and address performance gaps within teams.

Participants were guided on applying employment fundamentals, managing performance expectations and aligning team objectives with organisational priorities. By strengthening supervisory competence and ownership, these initiatives supported leadership continuity and more consistent management practices across functions.

Professional and Operational Capability

Programmes such as Managing Employee Discipline and Emotional Intelligence for Leaders at Workplace focused on enhancing self-awareness, emotional regulation and constructive conflict management. Training addressed professional conduct, stress management and interpersonal communication, reinforcing expectations of respectful workplace behaviour.

These initiatives contributed to building stronger working relationships and supporting collaboration across teams. By embedding behavioural awareness into daily interactions, the Group sought to reduce workplace friction and improve overall team effectiveness.

Behavioural and Workplace Effectiveness

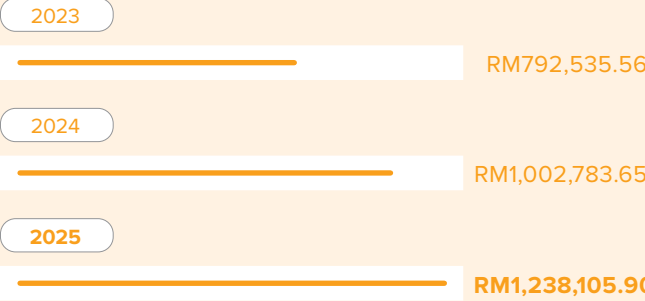
Operational and professional development efforts included Lean Six Sigma (LSS) training, technical certification courses for operational teams and High Impact Business Writing Skills Training. LSS strengthened process efficiency and analytical problem-solving capability, while technical certifications reinforced role-specific competency requirements.

Business writing training improved clarity and precision in internal and external correspondence, supporting effective communication across functions. Together, these initiatives enhanced operational reliability and professional standards within the organisation.

A total of 172 employees participated across leadership and capability programmes during the year. These initiatives are reflected in the Group's overall training efforts and investments.

TOTAL
TRAINING HOURS:
37,373 hours

TOTAL INVESTMENT IN TRAINING AND DEVELOPMENT



PUTTING OUR PEOPLE FIRST

Employee Engagement and Talent Management

Average Hours of Training Per Year Per Employee by Gender

Training Hours/Gender	2023		2024		2025	
	Male	Female	Male	Female	Male	Female
Total Number of Employees	943	189	947	207	958	208
Total Number of Training Hours	15,601	5,204	23,303	6,136	28,058	9,315
Average Training Hours Per Employee	16.54	27.53	24.6	29.6	29.3	44.8

Average Hours of Training Per Year Per Employee by Category

Training Hours/Employee Category	2023	2024	2025
Top & Senior Management	30.04	32.47	68.70
Managerial	44.63	50.68	70.73
Executive	33.33	39.82	51.92
Non-Executive	8.66	15.91	16.49

GOING FORWARD

MSM will strengthen employee and talent management by sharpening the focus of training and professional development programmes to better align with operational and capability requirements. Our priority will be to enhance workforce skills, leadership readiness and consistency in performance management practices.

The Group will also enhance and align employee welfare and engagement mechanisms to ensure benefits and support programmes are responsive to workforce needs and organisational priorities. Engagement insights will inform people management decisions, supporting a work environment that enables employee development and contributes to sustainable business growth.

PUTTING OUR PEOPLE FIRST

Diversity, Equity and Inclusion

Why It Matters

Diversity, equity and inclusion (DEI) are relevant to the Group’s workforce management across our operations within Malaysia’s sugar industry. The Group’s approach to DEI supports consistent employment practices, balanced decision-making, and the responsible management of a workforce with varied roles, functions and locations. We recognise that embracing different perspectives and experiences supports employee engagement and effective day-to-day operations.

Workforce composition is monitored to inform governance oversight and talent planning. The presence of women in Senior Management positions and on the Board reflects the Group’s focus on balanced leadership and sound governance. We emphasise fair treatment and equal opportunity for advancement as part of our DEI practices, which support workforce stability and retention while enabling the Group to operate responsibly in a competitive business environment.

Our Approach

The Group’s approach to diversity, equity and inclusion is anchored by our DEI Policy, approved by the Board of Directors. The policy sets measurable objectives that are applied across employee management processes, including recruitment, development and leadership progression. We review the policy periodically to ensure it remains relevant, effective and aligned with organisational priorities.

Our Employee Handbook sets out Human Resources’ policies that underpin a zero-tolerance approach towards discrimination and harassment. These policies include grievance procedures and reporting mechanisms to ensure concerns are addressed appropriately. We complement this framework with a Whistleblowing Policy that provides employees with a confidential channel to report DEI-related concerns.

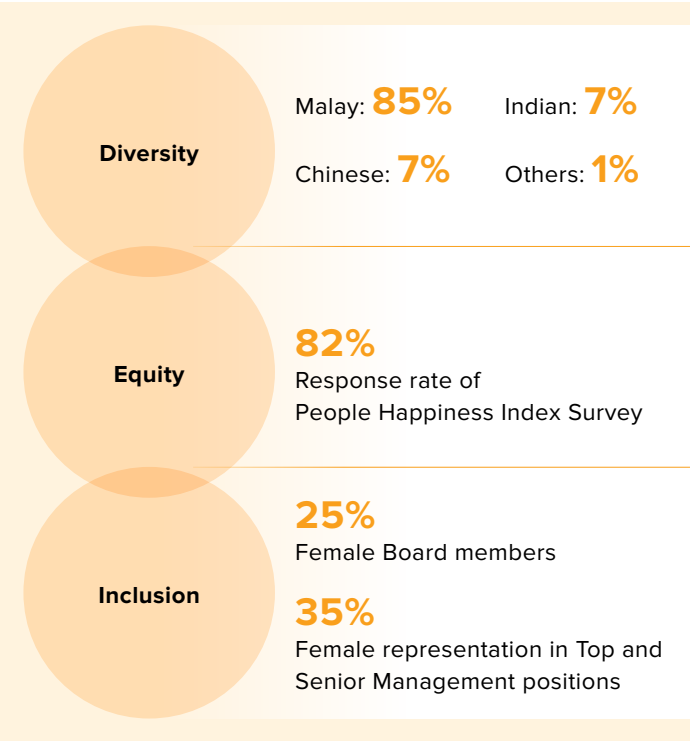
 Detailed information of the Whistleblowing Policy can be found on pages 76 and 77 of this Report.

As part of our approach to diversity, equity and inclusion, we apply the following principles across our operations:

Comply with all relevant legislations related to discrimination, equality and other applicable employment requirements	Implement mechanisms to address and respond to employees’ complaints related to discrimination and harassment
Establish and uphold a working environment that promotes equal and fair treatment for all employees and prospective employees	Review internal policies related to DEI periodically to ensure continued relevance and applicability

PUTTING OUR PEOPLE FIRST

Diversity, Equity and Inclusion



We hire and promote employees based on merit, capability and role requirement. This principle supports fair and respectful treatment across the workforce, without discrimination based on race, gender, age, religion, disabilities and nationality. These expectations are set out in our Employee Handbook, which is accessible to all employees through internal communication platforms.

Our employment practices align with the UN Guiding Principles on Business and Human Rights. We also align our approach to diversity and gender equality with the relevant UN SDGs and adoption of the UN Women’s Empowerment Principles (WEP).

OUR INITIATIVES

- We implemented a range of initiatives to support fair and inclusive employment practices across the Group during the reporting year. These initiatives focused on embedding DEI considerations within operational processes, strengthening leadership diversity and maintaining accessible communication channels for employees. Key initiatives during the year included:
- Integrating DEI considerations into operational processes**
DEI principles were incorporated into relevant Standard Operating Procedures. Workforce demographics continued to be monitored to support fair treatment across gender, ethnicity and age groups.
 - Strengthening leadership diversity**
Leadership diversity was supported through targeted recruitment and development initiatives. Women represented 35% of Top and Senior Management positions, while female representation on the Board stood at 25%, comprising two female Board members. The Group’s membership in the “30% Club Malaysia” since 2023 reflects our alignment with broader efforts to promote gender balance in senior leadership.
 - Maintaining accessible communication and reporting channels**
Clear communication channels, including the whistleblowing channel, were maintained to enable employees to raise concerns, provide feedback and report incidents of discrimination, harassment or unfair treatment.
- The Group applies a zero-tolerance approach towards sexual harassment. Reported cases are subject to thorough investigation and resolution procedures. During the reporting year, there were zero reported cases of sexual harassment and zero reported cases of discrimination.



PUTTING OUR PEOPLE FIRST

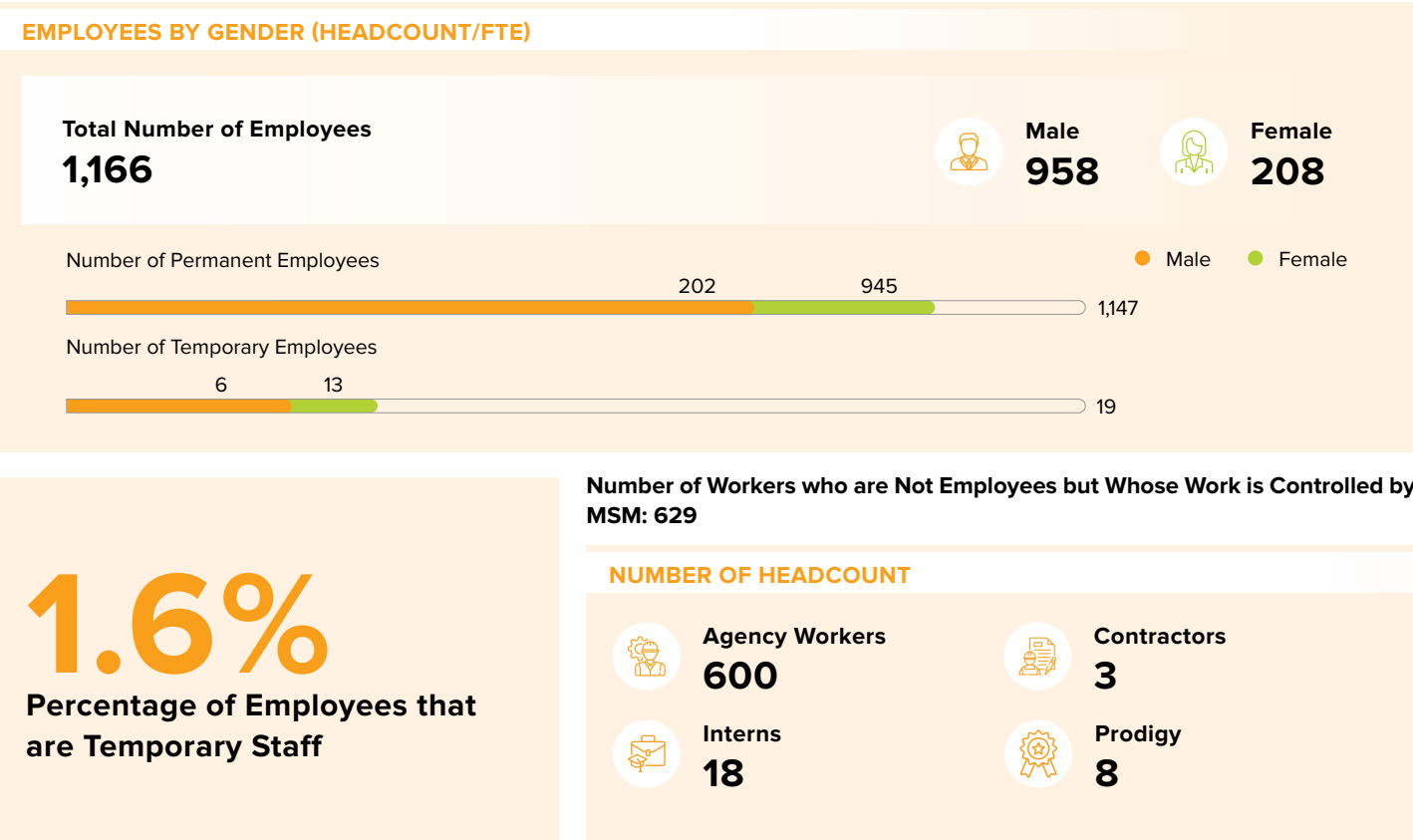
Diversity, Equity and Inclusion

MSM’s Workforce Profile

Our workforce comprised 1,166 employees in 2025 across all operational entities, including 208 men and 958 women. Of the total, 1,147 were permanent employees (202 men; 954 women) and 19 were temporary employees (6 men; 13 women), with temporary staff representing 1.6% of the workforce.

In addition, the Group’s operations were supported by workers who are not employees but whose work is controlled by MSM, including 600 agency workers, 3 contractors, 18 interns and 8 Prodigy participants.

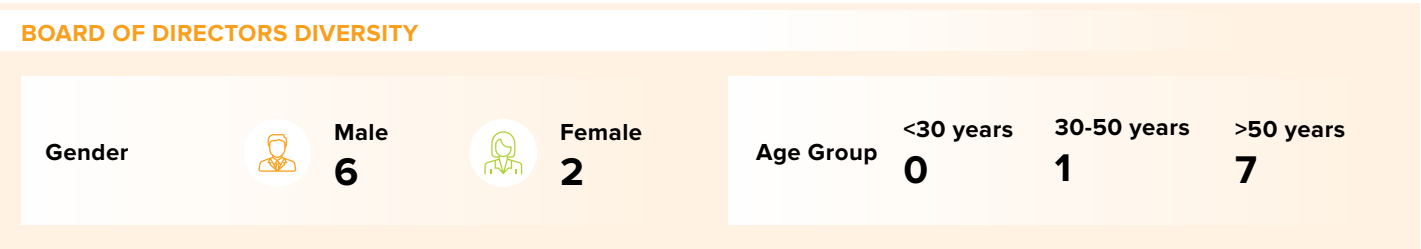
For three-year employee performance data and Board diversity, refer to pages 104 to 105 and 124 to 125 of this Report.



PUTTING OUR PEOPLE FIRST

Diversity, Equity and Inclusion

Diversity of Governance Bodies and Employees



Employee Category

Category	Top & Senior Management	%	Managerial	%	Executive	%	Non-Executive	%	Total
Gender									
Male	15	65	92	68	159	59	692	94	958
Female	8	35	44	32	111	41	45	6	208
Ethnicity									
Chinese	4	17	32	24	16	6	27	4	79
Malay	18	78	93	68	232	86	653	89	996
Indian	1	4	8	6	19	7	52	7	80
Others	0	0	3	2	3	1	5	1	11
Age Group									
<30 years	0	0	0	0	78	29	176	24	254
30-50 years	12	52	116	85	160	59	500	68	788
>50 years	11	48	20	15	32	12	61	8	124

Note: Percentages may not sum to 100% due to rounding.

Employee Hires

In 2025, the Group hired 114 new employees across the organisation. New hires comprised 26 male and 88 female employees, with recruitment spanning all age groups. This included 47 employees under 30 years old, 51 employees between 30 and 50 years old and 16 employees above 50 years old.

Category	2023		2024		2025	
	Number	%	Number	%	Number	%
Gender						
Male	133	79	60	59	26	23
Female	36	21	41	41	88	77
Total	169	100	101	100	114	100
Age Group						
<30 years	90	53	47	46	47	41
30-50 years	67	40	41	41	51	45
>50 years	12	7	13	13	16	14
Entity						
MSM Malaysia Holdings Berhad	16	9	18	18	14	12
MSM Prai Berhad	77	46	44	43	53	46
MSM Sugar Refinery (Johor) Sdn Bhd	70	41	36	36	42	37
MSM Logistics Sdn Bhd	6	4	3	3	5	4

PUTTING OUR PEOPLE FIRST

Diversity, Equity and Inclusion

Employee Turnover

	2023		2024		2025	
	Number	%	Number	%	Number	%
Gender						
Male	70	69	69	73	78	76
Female	31	31	26	27	24	24
Total	101	100	95	100	102	100
Age Group						
<30 years	37	37	24	25	23	23
30-50 years	48	47	46	49	44	43
>50 years	16	16	25	26	35	34
Entity						
MSM Malaysia Holdings Berhad	11	11	14	15	16	16
MSM Prai Berhad	47	46	45	47	47	46
MSM Sugar Refinery (Johor) Sdn Bhd	41	41	33	35	33	32
MSM Logistics Sdn Bhd	2	2	3	3	6	6
Employee Category						
Top & Senior Management	2	2	3	3	7	7
Managerial	18	18	20	21	19	19
Executive	33	33	39	41	42	41
Non-Executive	48	47	33	35	34	33

GOING FORWARD

The Group will continue to focus on attracting and retaining talent from diverse backgrounds, taking into account workforce requirements and operational contexts across our businesses. As part of this focus, the Group will consider opportunities to broaden access to employment, including for underrepresented communities in Malaysia, where appropriate.

To support inclusive workforce practices, the Group will review existing training and development programmes to ensure they remain relevant and responsive to workforce needs. These efforts are intended to support fair access to development opportunities and reinforce the Group’s approach to responsible workforce management.

PUTTING OUR PEOPLE FIRST

Community
Engagement
and
Development

Why It Matters

Strong communities underpin long-term social and economic stability. For MSM, community engagement builds trust with stakeholders, supports our social licence to operate and contributes to a stable operating environment around our operations. It directs support towards priority needs such as education, healthcare and social assistance, particularly for vulnerable and underprivileged groups, helping to strengthen community well-being and workforce resilience.

Our Approach

We reach out to the communities around our operations to listen to their needs and address matters related to our environmental and social impact. This includes responding to communities in need and protecting the surrounding natural environment to help conserve the local ecological systems. We also raise sustainability awareness among the local communities through local partnerships and community collaborations.

Our community efforts prioritise education, healthcare and social support for vulnerable and underprivileged groups. These initiatives aim to address immediate needs while contributing to longer-term social resilience where we operate.

We encourage our employees to play an active role in delivering community initiatives through volunteering financial contributions and in-kind support. Their involvement helps to extend the reach of our community programmes and strengthen MSM’s relationships with local communities.

All our community initiatives comply with MSM’s Sponsorship and Donations Policy, which focuses on humanitarian support, economic empowerment, environmental conservation and community well-being, providing clarity on contributions while guiding responsible community investment.



OUR INITIATIVES

- Community Infrastructure
- Environmental and Sustainable Development
- Educational, Research and Publications
- Humanitarian Efforts and Social Events
- Emergency Assistance
- Sports, Healthcare and Related Programmes

PUTTING OUR PEOPLE FIRST

Community Engagement and Development

Total Sponsorships and Donations: RM175,372.74		
MSM Holdings	MSM Prai	MSM Johor
RM66,691.00	RM103,281.74	RM5,400.00

Total Zakat Wakalah Contributions: RM400,812.30	
MSM Holdings	MSM Prai
RM57,296.00	RM343,516.30

In 2025, MSM Holdings, MSM Prai, MSM Johor and SBW implemented environmental and social initiatives across their operations, engaging local communities and partners in activities aligned with site-specific needs.

Environmental Initiatives

MSM carried out various environmental programmes involving community participation and partnerships, with a focus on conservation activities relevant to the local ecosystems surrounding our operations.

MSM



MSM Plogging Session

MSM organised a plogging session at Taman Tasik Titiwangsa to promote a healthy lifestyle while fostering environmental awareness among our team members and their loved ones.

MSM Participated in the Elmina Urban Biodiversity Corridor Tree Planting Programme

MSM partnered with the Tropical Rainforest Conservation and Research Centre for the second year, successfully planting 300 trees at Bukit Cherakah Forest Reserve.

MSM PRAI



River Cleaning Campaign

Conducted quarterly, this campaign aimed to restore the health and beauty of local waterways.

Earth Hour

MSM Prai employees marked the occasion by switching off lights at the main office, canteen and parking areas for one hour.

World Recycling Day

MSM Prai celebrated World Recycling Day 2025 to promote sustainability and recycling awareness, even collecting over 500kg of recyclable waste.

Funding for R&D on Pressmud/Mudcake (UUM & USM)

Supported research into sustainable applications for mudcake, including its use in bricks, animal feed and aquaculture solutions.

Championing Eco-Schools

MSM Prai donated 50 composting drums to schools participating in the Anugerah Sekolah Hijau organised by Majlis Bandaraya Seberang Perai to encourage adoption of sustainable practices and reduce organic waste.

Mangrove Tree Planting

Held in collaboration with Jabatan Perhutanan Negeri Pulau Pinang, and initiated by the Environmental Health Students Association (EHSAN), UiTM Bertam Campus and the Department of Environment (DOE) Penang to support the restoration of mangrove ecosystems with 300 mangroves planted, enhancing coastal protection.

Program Kutip Sampah Sambil Riadah (KUDAH)

MSM Prai participated in Program KUDAH organised by USM and DOE Penang. The event combined light recreational activity with environmental stewardship, bringing together volunteers from various organisations to clean up litter at Tasik Harapan.

PUTTING OUR PEOPLE FIRST

Community Engagement and Development

SBW



Sweet Hiking & Plogging
SBW held a Sweet Hiking & Plogging initiative at Taman Botani Negara Shah Alam, this initiative aimed to promote a healthy lifestyle while fostering environmental awareness among our team members and their loved ones.

E-Waste Collection Programme
SBW joined hands with SK Taman Bunga Raya 1 and DOE Gombak for an E-Waste Collection Programme aimed at raising awareness of the importance of proper electrical and electronic waste disposal. A total of 405kg of e-waste was collected.

MSM JOHOR



Tree Planting
In collaboration with Jabatan Perhutanan Negeri Johor (JPNJ), MSM Johor held a tree-planting activity at Taman Eko Rimba, Gunung Berlumut. A total of 150 saplings were planted.

Empowering Communities
MSM implemented social programmes focused on livelihoods, education and community well-being in the communities surrounding our operations.

Program Perintis: Usahawan Logistik Muda

Program Perintis: Usahawan Logistik Muda was initiated in 2024 by MSM Logistics Sdn Bhd in collaboration with Jabatan Pembangunan Usahawan Felda to support income-generating opportunities for small entrepreneurs in the logistics sector. The programme provided practical exposure to sugar distribution operations and basic business management for participants from communities surrounding MSM's operations. Phase 1 of the programme was implemented at the end of 2024, with participants completing their training and commencing operational activities.

In 2025, the programme transitioned into its operational phase, with participants commencing operations in January 2025 to support sugar distribution and reverse logistics activities within the Klang Valley. Collectively, the participants carry out more than 40 delivery trips per month.

The programme provides practical exposure to real-life logistics operations while enabling participants to develop business management and operational capabilities.

This initiative continues to create meaningful economic opportunities for young entrepreneurs by providing hands-on industry exposure and practical business experience in the logistics sector. As a result, participants generate an average net income of approximately RM10,000 per month after deducting operational and rental costs, which is double the income level initially projected under the programme.



Social Initiatives

MSM



Sponsorship to Yayasan Bina Kesejahteraan
Supported the Women Economic Forum (WEF) ASEAN 2025, which brought together women leaders from across the region to advance dialogue on leadership and the future of the ASEAN sheconomy.

Collaboration with PERTIWI Soup Kitchen
Organised a food distribution programme for around 220 homeless individuals at Pusat Khidmat Gelandangan, Medan Tuanku, with support from MSM employee volunteers.

Forklift Cadet Programme 3.0
Continued its annual skills development programme to equip FELDA youth with professional forklift operation skills for employment in logistics, manufacturing and heavy industry.

“A Bagful of Hope”
Approximately 1,500 paper bags were collected for distribution to four government health clinics, supporting their transition away from plastic bags for dispensed medicines.

SULAM@UiTM Programme
MSM participated in the SULAM@UiTM programme involving university students and primary school students in hands-on food preparation activities using Gula Prai products, encouraging creativity, critical thinking and teamwork.

MSM PRAI



CPR and AED Exercise at Pusat Jagaan Darul Hanan
Conducted a CPR and AED training session for caregivers to strengthen emergency response capabilities and support the well-being of elderly residents.

Iftar Celebration with SK Lubok Merbau Community
Joined the local community in an Iftar event featuring the distribution of daily necessities and cash aid, as well as the symbolic handover of a Smart TV contributed earlier to support learning.

USM NatureX 2.0
Supported an environmental awareness programme organised by USM, with MSM's representative serving as a judging panel member for student group presentations.

SULAM Programme at UUM
Collaborated with UUM on a community programme to demonstrate how mudcake and molasses can be converted into organic fertiliser, benefiting farmers, housewives and youths in Pekan Asun.

SBW



Industrial Visit by UiTM Puncak Alam Students
Hosted an industrial visit for students and a lecturer to provide exposure to workplace safety and risk management practices in an operational setting.

OPTIMISING ENVIRONMENTAL PERFORMANCE

Climate Action

Why It Matters

Climate change continues to reshape ecosystems, supply chains and market expectations. For MSM, the implications are both operational and strategic. Our reliance on international raw sugar sourcing exposes us to climate variability, while domestic operations face increasing transition and physical risks. Managing greenhouse gas (GHG) emissions, strengthening energy efficiency and embedding climate governance are central to managing risk and positioning MSM for long term competitiveness.

As temperature goals remain anchored to 1.5°C above pre-industrial levels, companies are expected to demonstrate credible pathways towards decarbonisation. For MSM, aligning with international climate initiatives supports resilience, reinforces stakeholder confidence and safeguards our licence to operate.

Our Approach

Our climate strategy is aligned with the recommendations of the IFRS Sustainability Disclosure Standards. The Board provides oversight of climate-related matters, supported by the Board Sustainability Committee (BSC) and the Sustainability Steering Committee (SSC) to coordinate implementation and monitor progress across the Group.

In addition, the Group is expanding GHG inventory, covering all categories of Scope 3 emissions relevant to our operations. This exercise is expected to inform the development of a more challenging GHG reduction roadmap by the end of 2026.

Beyond mitigation, strengthening operational resilience remains essential. Addressing GHG emissions and climate-related risks supports supply chain stability, protects asset integrity and reinforces stakeholder confidence. Insufficient action may increase exposure to regulatory, physical and transition risks.

 For more information on MSM's climate-related risk management, refer to the TCFD section on pages 112 to 116 of this Report.

OUR INITIATIVES

Climate action at MSM extends beyond internal operations through partnerships and advocacy. Since 2022, we have committed to the Science Based Targets initiative (SBTi), underscoring our intention to align our emissions reduction efforts with globally recognised climate goals. Our engagement with Wilmar supports alignment with its No Deforestation, No People Exploitation (NDPE) Sugar Policy principles. Collaboration with the Department of Environment (DOE) in Penang and the Penang Inshore Fishermen Welfare Association (PIFWA) reinforces sustainability awareness through mangrove tree planting efforts. Through participation in UNGC Network Malaysia and Brunei and Climate Governance Malaysia (CGM), we contribute to broader climate advocacy.

Mitigating Climate Change Impact

MSM continues to prioritise emission reduction by improving resource efficiency, strengthening energy management and minimising waste generation. Reducing operational intensity lowers both environmental impact and long-term cost exposure.

Waste management remains a key focus area. Mudcake generated from operations is repurposed into fertiliser and animal feed, supporting the Group's zero-landfill target while advancing circular economy practices. In alignment with national sustainability priorities, we continue to align our waste management initiatives with the Malaysian Plastics Sustainability Roadmap 2021–2030, reinforcing responsible plastic waste management across operations.

We have also adopted stretch films as an initial step towards more sustainable plastic packaging, further minimising plastic waste. In addition, the Group will continue to explore environmentally friendly green plastic technologies. These initiatives reduce material usage while supporting sustainable packaging practices.

As part of our broader decarbonisation strategy, MSM is implementing the Measure, Reduce, Offset (MRO) framework to track carbon emissions, identify reduction opportunities and evaluate carbon offset mechanisms. A GHG reduction roadmap for Scope 1 and Scope 2 emissions is being developed as part of our decarbonisation journey.

Water efficiency also forms part of our mitigation efforts. We are exploring alternative reusable water solutions, including rainwater harvesting, to improve operational water management.

Recognising the increasing risks posed by extreme weather events, a flood risk assessment was conducted at MSM Prai. The assessment revealed no significant impact on current operations, while providing useful insights to support mitigation planning and strengthen the adaptive capacity of our operations.

Adapting to Climate Change

Climate change alters rainfall patterns, intensifies storms and places increasing stress on natural habitats. Strengthening ecosystem resilience is therefore a practical component of our climate adaptation strategy. Stable ecosystems help moderate flood risks, reduce coastal erosion and preserve biodiversity that supports long term environmental and operational stability.

OPTIMISING ENVIRONMENTAL PERFORMANCE

Climate Action

Our Performance

A key priority is strengthening the accuracy and completeness of our GHG inventory. Scope 1 emissions include diesel used in production, the logistics fleet, natural gas consumption, liquefied petroleum gas (LPG) and and fugitive emissions. Scope 2 emissions reflect purchased electricity.

Scope 3 coverage has expanded over the past five years. Initially limited to Category 6 Business Travel in 2021 and 2022, our inventory now includes:

- Category 1 - Purchased Goods and Services
- Category 2 - Capital Goods
- Category 4 - Upstream Transportation and Distribution
- Category 5 - Waste Generated in Operations
- Category 6 - Business Travel
- Category 7 - Employee Commuting
- Category 8 - Upstream Leased Assets
- Category 9 - Downstream Transportation and Distribution
- Category 13 - Downstream Leased Assets

In 2025, Scope 1 GHG emissions decreased by 10.5%, while Scope 2 GHG emissions declined by 4.5%, corresponding to an 8.8% reduction in production volume compared to the previous year. Scope 3 GHG emissions also recorded a marginal decrease of 2.42%.

Continuous improvements in data collection enhance transparency and provide the analytical basis for more targeted reduction strategies.

Scope 1

Scope 1 Emissions (tCO ₂ eq)	2023	2024	2025
Gross direct GHG emissions	238,497.26	246,560.77	220,623.13

Scope 2

Scope 2 Emissions (tCO ₂ eq)	2023	2024	2025
Gross location-based energy indirect GHG emissions	38,397.78	39,978.74	38,173.82

Scope 3

Scope 3 Emissions (tCO ₂ eq)	2023	2024	2025
Gross other indirect GHG emissions	1,496,229.49	2,103,849.37	2,052,993.14

- Notes:
- Scope 1 comprises consumption of LPG, Natural gas, diesel and petrol consumption from heavy machinery, owned lorries and fugitive emissions.
 - Scope 2 comprises purchased electricity from MSM Holdings, MSM Prai, MSM Johor, SBW and MSM Logistics. Calculation method is based on MEIH Suruhanjaya Tenaga.
 - Scope 3 comprises:
 - Category 1 (Purchased goods and services): Only the purchased raw sugar data from MSM Prai and Johor was taken into account and are derived from default values of database and not supplier-specific factors.
 - Category 2 (Capital goods): Capital goods data comprises from all entities except MSM Logistics and excluding Continuous Work in Progress (CWIP).
 - Category 4 (Upstream transportation and distribution): Upstream transportation data MSM Prai, MSM Johor and SBW comprises of road (lorry) and sea transportation from vessel to MSM dock by barge, trucks from wharf to MSM Johor.
 - Category 5 (Waste generated in operations): Waste generated by all sites including hazardous waste and non-hazardous waste.
 - Category 6 (Business travel): Business travel comprises data from MSM Prai, MSM Johor, MSM Holdings and SBW such as car, train, aircraft, bus and accommodation.
 - Category 7 (Employee commuting): Employee commuting consists of mode of transport and distance from MSM HQ, SBW, MSM Prai and MSM Johor.
 - Category 8 (Upstream leased assets): Upstream leased assets data consist from MSM Prai only which includes electricity and diesel usage at the warehouse.
 - Category 9 (Downstream transportation and distribution): Downstream transportation data from MSM Prai, MSM Johor & SBW comprises of road (lorry), sea and rail transportation.
 - Category 13 (Downstream leased assets): Downstream leased asset data comprises from MSM Prai only which include electricity and diesel usage at the warehouse.
 - Calculation is based on the GHG Protocol and the emission factor is based on DEFRA 2024 and DEFRA 2025.

MOVING FORWARD

We will intensify our focus on emissions reduction by prioritising energy optimisation, exploring feasible renewable energy opportunities and strengthening waste and resource efficiency across our sites. In parallel, we will continue to enhance the accuracy and completeness of our GHG inventory, particularly Scope 3, through improved data collection, engagement with relevant suppliers and clearer internal governance. We will also strengthen adaptation measures by embedding climate risk considerations into business continuity and operational planning.

OPTIMISING ENVIRONMENTAL PERFORMANCE

TCFD-aligned
Climate-
related
Disclosures

Climate-related risks and opportunities remain central to MSM’s corporate strategy, given their potential impact on long-term operational stability and business performance. In recent years, we have strengthened our governance oversight, scenario analysis, risk management processes and GHG emissions tracking, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

To maintain continuity in climate-related reporting, MSM continues to draw on the TCFD recommendations while monitoring the transition towards the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), within the timeframe required by Bursa Malaysia. This transition is taking place alongside evolving regulatory expectations in Malaysia, including the National Sustainability Reporting Framework (NSRF). Preparatory work includes reviewing existing disclosures and strengthening internal reporting processes to support alignment with forthcoming requirements.

The sustainability strategy continues to be advanced through leadership oversight and periodic performance reviews. Metrics and targets are regularly assessed to ensure they remain relevant as operational conditions and external factors evolve, with adjustments made where necessary. Supporting policies and programmes remain in place, complemented by ongoing engagement with stakeholders, including customers and employees, through partnerships and collaborative initiatives.

The following section outlines the governance structure through which climate-related matters are overseen at Board and Management levels, including the roles and responsibilities established to support effective oversight and accountability.

GOVERNANCE

Oversight of Climate Risks and Opportunities

The Board retains oversight of sustainability matters, including sustainability risks and opportunities, and remains responsible for integrating climate considerations into corporate strategy. The BSC, established in January 2025, oversees sustainability-related matters and supports the Board in discharging its responsibilities.

Prior to the establishment of the BSC, sustainability oversight was undertaken by the AGRC. Following the transition, the AGRC continues to oversee enterprise risks, including ESG-related risks.

The BSC is supported by the SSC, together reinforcing MSM’s commitment to sustainability and climate resilience, ensuring that these considerations remain central to strategic decision-making.

The SSC builds on the previous Management Steering Committee structure and supports the implementation of climate-related policies in alignment with MSM’s overarching sustainability strategy. Reporting directly to the BSC, the SSC is chaired by the Group CEO and comprises senior executives from key business functions, including the ESG Department, the Group HSES Department, Risk Management team and Operations Management.

This reporting structure facilitates communication of sustainability matters to the Board and supports the integration of climate-related risks within MSM’s overall risk management framework. The SSC monitors progress against key performance indicators and provides recommendations on sustainability initiatives, supporting operational decisions aligned with MSM’s long-term climate commitments.

 For further details on the Sustainability Governance structure, refer to pages 72 and 73 of this Report.

OPTIMISING ENVIRONMENTAL PERFORMANCE

STRATEGY

Climate Scenario Analysis and Business Impact

Climate-related risks are classified into physical risks and transition risks. Physical risks refer to the direct impacts of climate change, including rising sea levels, temperature fluctuations and extreme weather events that may disrupt assets, operations and supply chains. Transition risks arise from the shift towards a low-carbon economy and may involve policy developments, market shifts, technological advancements and evolving stakeholder expectations.

	From (Year)	To (Year)
S Short-term The short-term focuses on immediate and upcoming reporting periods, reflecting near term changes in performance, regulatory compliance and respective action taken in response to identified risks and opportunities	0	1
M Medium-term The mid-term horizon allows us to respond to potential risks and opportunities that can be seen at present and may not be experienced until later	1	5
L Long-term The long-term horizon for MSM is broadly focused on the future, where the vulnerable state, risks and opportunities can be difficult to predict far in advance	5	-

 PHYSICAL RISKS	
Acute and Chronic Climate-related physical risks encompass acute risks from extreme weather events such as floods and droughts, as well as chronic risks arising from gradual changes in temperature and precipitation patterns	Time Horizon S M L
Impact Risk Opportunity	Our Approach
Flooding represents a persistent physical hazard with the potential to affect operations and asset performance across all time horizons.	The Group continues to evaluate physical climate risks across our operations and value chain. A flood risk assessment was conducted at MSM Prai with support from an external consultant to examine climate scenarios, operational exposure and response measures. The results indicated no significant flood-related impact on the Group’s operations. Though the impact is insignificant, the Group plans to further quantify potential financial impacts linked to flood risk. Options to reduce reliance on physical infrastructure, including adjustments to shift patterns and continued use of remote work arrangements, are also being evaluated, with the aim of managing exposure and reducing commuting-related emissions.

OPTIMISING ENVIRONMENTAL PERFORMANCE

TCFD-aligned Climate-related Disclosures

TRANSITION RISKS		
Policy and Legal Risks and Opportunities Carbon tax is expected to be imposed to support market requirements in meeting national emissions reduction targets.		
Time Horizon	Impact Risk Opportunity	Our Approach
SML	Ongoing uncertainty around global carbon pricing mechanisms and regulatory developments, including emissions trading schemes, may affect cost structures and complicate financial planning.	The Group is pursuing emission reduction efforts to manage exposure to pricing-related transition risks, with both near-term and longer-term targets with the development of comprehensive GHG reduction roadmap. In parallel, potential alternative supply arrangements, including joint ventures in plantations or other sustainable options, are being explored to reduce supply chain emissions. These efforts also take into account potential downstream impacts arising from sugar-related taxes.
Policy and Legal Risks and Opportunities Climate-related and emissions-related reporting requirements are becoming more extensive, increasing disclosure expectations for the Group.		
Time Horizon	Impact Risk Opportunity	Our Approach
SM	Increased reporting costs, higher compliance demands and pressure on available skilled resources.	The Group continues to monitor regulatory developments that require additional sustainability disclosures. Ongoing changes in reporting expectations have resulted in broader compliance requirements across environmental, social and governance topics.
Technology Risks and Opportunities Transitioning towards lower-emission technologies may involve additional costs as operations adapt to changing energy and efficiency expectations.		
Time Horizon	Impact Risk Opportunity	Our Approach
SM	Capital expenditure may be required to support decarbonisation and improve energy efficiency. Opportunities to reduce Scope 2 emissions include assessing the use of solar power at SBW.	Energy audit findings are used to guide energy efficiency improvements. The Group continues to focus on improving energy performance across our operations. Progressively migrating our data center to the cloud is intended to support more energy-efficient operations. Over the longer term, distribution efficiency is being addressed through improved transport practices, including better fuel efficiency and the gradual integration of electric vehicles.

OPTIMISING ENVIRONMENTAL PERFORMANCE

TCFD-aligned Climate-related Disclosures

TRANSITION RISKS		
Market Risks and Opportunities Customer preferences are shifting towards products with stronger sustainability attributes, influencing demand patterns over time.		
Time Horizon	Impact Risk Opportunity	Our Approach
SML	Climate-related events and the energy transition may affect customer behaviour and create opportunities to improve operational processes.	Product development efforts increasingly take sustainability considerations into account, supporting the development of lower-carbon offerings.
Reputational Risks and Opportunities Stakeholder interest in sustainability practices continues to influence expectations of corporate conduct and transparency.		
Time Horizon	Impact Risk Opportunity	Our Approach
SML	Failure to meet public sustainability expectations and shifting stakeholder perceptions may weaken brand standing. Ongoing stigmatisation of sugar consumption could affect reputation and sales performance.	The Group engages stakeholders to communicate on sustainability initiatives that have been carried out by the Group.
Reputational Risks and Opportunities Workforce-related perceptions linked to organisational change and sustainability positioning.		
Time Horizon	Impact Risk Opportunity	Our Approach
SM	Reputational pressures may affect employee sentiment through job uncertainty, reskilling demands and resistance to change. Conversely, clear leadership on climate and sustainability values can support morale, pride and engagement.	Employee sentiment is monitored through surveys, including the People Happiness Index and other feedback channels. Updates on business and sustainability matter including decarbonisation initiatives are shared during town halls. Feedback from onboarding and exit processes is reviewed to identify opportunities to strengthen employee engagement.

OPTIMISING ENVIRONMENTAL PERFORMANCE

TCFD-aligned Climate-related Disclosures

OPTIMISING ENVIRONMENTAL PERFORMANCE

METRICS & TARGET

Emissions Performance and Reduction Strategies

The Group continues to manage GHG emissions across Scope 1, Scope 2 and Scope 3 while improving energy efficiency, water use and waste management across our operations. In 2025, Scope 1 emissions decreased to 220,623.13 tCO₂e (2024: 246,560.77 tCO₂e) and Scope 1 emissions intensity improved to 0.2191 (2024: 0.2233). Scope 2 emissions also declined to 38,173.82 tCO₂e (2024: 39,978.74 tCO₂e), with Scope 2 emissions intensity at 0.0379 (2024: 0.0362). Overall, combined Scope 1 and 2 emissions fell to 258,796.96 tCO₂e (2024: 286,539.51 tCO₂e), with Scope 1 and 2 intensity improved to 0.2571 (2024: 0.2595). These outcomes reflect a combination of operational efficiencies, energy optimisation efforts and changes in production activity.

In 2025, Scope 3 emissions amounted to 2,052,993.14 tCO₂e, based on disclosure across nine categories, reflecting improved visibility of upstream and downstream emission sources. The marginal 2.4% decrease compared to 2024 was mainly attributable to lower purchases of raw sugar and reduced waste generation.

Emission Scope		2023	2024	2025
Scope 1	(total by sites) (tCO ₂ e)	238,497.26	246,560.77	220,623.13
	(total by sites) (intensity)	0.2404	0.2233	0.2191
Scope 2	(total by sites) (tCO ₂ e)	38,397.78	39,978.74	38,173.82
	(total by sites) (intensity)	0.0387	0.0362	0.0379
Scope 1+2	(total by sites) (tCO ₂ e)	276,895.04	286,539.51	258,796.96
	(total by sites) (intensity)	0.2791	0.2595	0.2571
Scope 3	(total of 9 categories) (tCO ₂ e)	1,496,229.49	2,103,849.37	2,052,993.14

Note: Emission intensity refers to emissions generated per tonne of sugar produced.

Despite year-on-year variability in emissions, efforts to manage the Group’s carbon footprint continued during the year. Energy efficiency initiatives were implemented at selected facilities, including Prai and Johor, with the aim of reducing energy intensity and moderating reliance on fossil fuel-based energy.

Addressing Scope 3 emissions remains a progressive effort. Considering downstream transport being our second largest emission source in Scope 3, we engaged all 16 of our third-party logistics (3PL) vendors to assess their Euro 5 compliance status. The results indicate that 31% of the assessed vendors operate Euro 5-compliant vehicles. We will continue working to increase 3PL vendors compliance as a means of reducing fuel use in our downstream transport, which will indirectly reduce GHG emissions. This engagement is also intended to inform the development of a supplier emissions reduction roadmap over time. The Group also continued to assess the feasibility of on-site solar generation and other renewable electricity options.

Through expanded disclosure, targeted operational measures and supplier engagement, the Group seeks to improve transparency and support a measured transition towards lower-carbon operations. These efforts are aligned with evolving regulatory expectations and international sustainability standards, while recognising the operational and economic realities of the business as it works towards longer-term decarbonisation objectives.

Water Management

Why It Matters

At MSM, we believe water management forms a key part of our sustainability approach and supports regulatory compliance, cost efficiency and alignment with broader sustainability objectives. Ineffective management of water withdrawal and wastewater discharge may result in regulatory action, financial penalties, reputational impact and operational disruption.

As freshwater resources face increasing pressure from industrial demand and climate variability, prudent water use is essential to safeguard operational stability while respecting local resource limits. We maintain defined processes for managing water and wastewater in line with regulatory requirements across our operations.

Our Approach

At MSM, our approach to water management is centred around the effective management of water and wastewater within our refinery operations. Our practices are guided by MSM’s Environmental Policy, which sets out measures to reduce water consumption and improve wastewater management, together with adherence to the Environmental Quality Act 1974 (Amendment) 2024.

As part of our environmental management framework, MSM Prai and SBW maintain certification under the ISO 14001:2015 Environmental Management Systems standard.

OUR INITIATIVES

MSM Johor

MSM Johor sources water to support processing plant and boiler operations, with water consumption for the fire hydrant tank monitored through a dedicated meter as part of site-level water management. This approach is supported by the installation of a rainwater harvesting tank at the Johor facility, with plans to expand such installations, alongside water recycling practices within the processing plant that reduce reliance on municipal water supply while supporting higher melting rates. Continuous monitoring of water usage across these systems enables control of overall consumption and water-related costs.

Water loss management at the plant is addressed through the ZERO Leaks Programme, which is supported by a dedicated Leaks Buster Team responsible for identifying and rectifying leakages. The programme operates alongside monthly GEMBA Walks to identify inefficiencies in water use and reinforce accountability at operational level.

Wastewater generated from plant and boiler operations is managed through the Industrial Effluent Treatment System (IETS), which has a daily treatment capacity of 240 m³. The system captures, treats and monitors wastewater generated from Johor’s manufacturing processes, helping to ensure that effluent discharged is properly processed and accurately recorded. Treated wastewater is discharged into the monsoon drain, while boiler blowdown water is collected in a buffer tank before treatment through the IETS.

Daily treatment activities are overseen by dedicated supervisors, supported by on-site laboratory analyses to monitor compliance with regulatory requirements. Results are reported through the Department of Environment’s (DOE) Online Environmental Reporting (OER) system, and any identified issues are addressed promptly.

Sungai Buloh Warehouse (SBW)

At SBW, water supplied is used exclusively for domestic activities such as toilet facilities and pallet washing for the removal of dirt and debris. As this water is limited to domestic use, no additional treatment is required prior to use and discharge is directed straight to the monsoon drain. A feasibility study is planned to assess the suitability of introducing rainwater harvesting systems at SBW. Although overall consumption is limited, the site continues to monitor usage to ensure responsible domestic water management.

MSM Prai

At MSM Prai, water is supplied for office functions, canteen operations and factory activities, including boiler and production processes, with factory operations accounting for most of the site’s overall water consumption. As supply variability can affect operational performance, pressure and flow rate monitoring systems are used within the factory and PBA Penang is notified promptly when low pressure or reduced flow rates are detected. Effluent management at the site currently operates under a temporary Contravention License (CL) issued by the DOE, pending completion and full operation of the site’s IETS.

OPTIMISING ENVIRONMENTAL PERFORMANCE

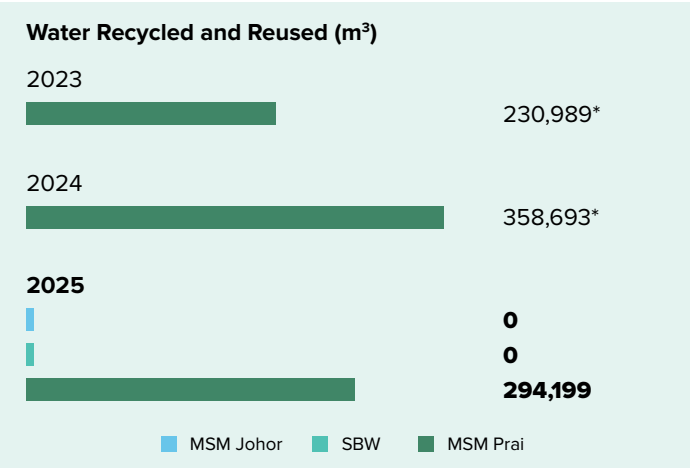
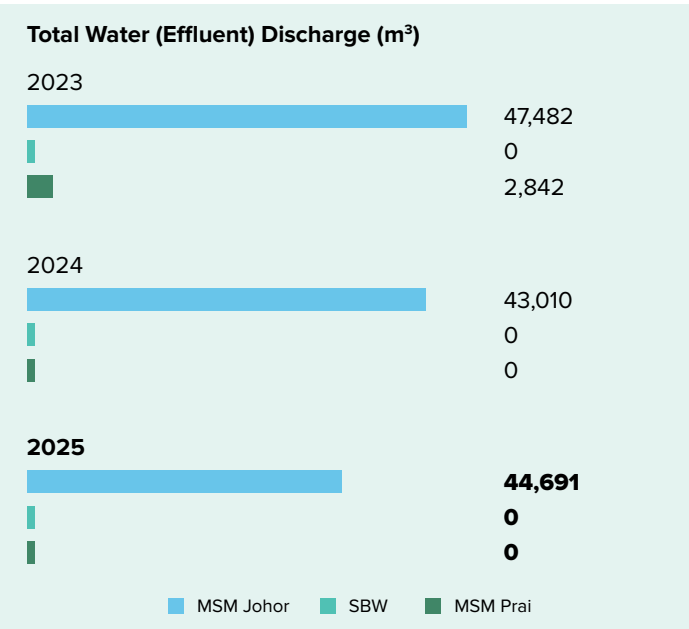
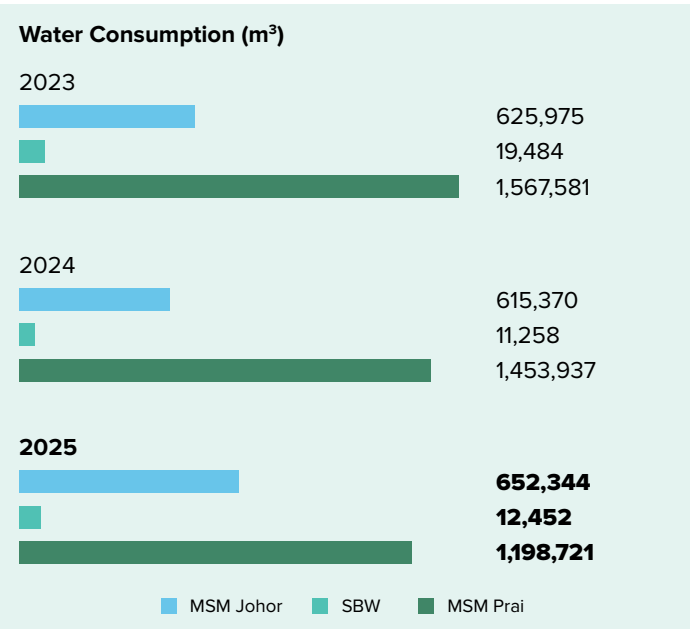
Water Management

Following the implementation of similar initiatives at MSM Johor, MSM Prai continues to strengthen water resource management across its operations through ongoing monitoring and responsible water use practices. Efforts remain focused on supporting operational needs while promoting efficient water management across the facility.

Water Performance

In 2025, we continued to monitor water consumption and effluent discharge across our operations as part of our commitment to responsible water management. MSM Prai remained the largest water consumer at 1,198,721 m³, followed by MSM Johor at 652,344 m³ and SBW at 12,452 m³. While water consumption increased at MSM Johor and SBW compared to 2024, MSM Prai recorded a reduction, resulting in a lower overall water consumption trend across the Group's key operating sites.

Effluent discharge was recorded only at MSM Johor, which reported 44,691 m³ in 2025, slightly higher than 43,010 m³ in 2024. The higher discharge volume at MSM Johor mainly reflects differences in wastewater treatment infrastructure and effluent reporting arrangements across sites. No effluent discharge was recorded at MSM Prai and SBW. MSM will continue to track water use and discharge patterns closely to support operational efficiency, compliance and more effective water resource management.



* Restated data.

OPTIMISING ENVIRONMENTAL PERFORMANCE

Waste Management

Why It Matters

At MSM, we recognise the importance of waste management in protecting the environment, improving operational efficiency and supporting local communities. Responsible waste management reduces pollution, minimises environmental impacts and ensures compliance with applicable regulations. As a refining business, our waste streams are directly linked to production volume, process efficiency and material handling controls. Managing waste improves both environmental outcomes and operational performance.

OUR INITIATIVES

We adopt a circular economy approach that focuses on waste profiling, proper classification and management of waste across our operations. Where technically and economically feasible, waste streams are redirected towards reuse, recycling or recovery in preference to disposal. This approach is applied through practical and achievable measures that guide waste management practices beyond emissions targets.

Zero Waste to Landfill Roadmap

We have initiated a Zero Waste to Landfill Roadmap as a long-term strategic commitment to progressively reduce and eliminate waste sent to landfill across our operations. Led at site level with strategic guidance provided at the Group level, the roadmap requires each site to establish waste diversion targets that reflect its operational activities, waste profile and existing recycling capabilities. Our operating sites pursue suitable waste recovery and treatment solutions, including recycling, reuse, material recovery and where feasible, waste-to-energy options, in collaboration with licensed and approved service providers.

Waste performance is monitored continuously at both site and Group levels, tracking the proportion of waste diverted from landfill against waste disposed to enable data-driven decision-making and ongoing improvement. Periodic reviews at site and Group levels further identify opportunities to enhance waste diversion rates and optimise resource recovery towards achieving the zero waste roadmap as a long-term sustainability goal. In doing so, we reduce the environmental impact of landfill disposal, strengthen operational efficiency and regulatory compliance while advancing our sustainability commitments through measurable indicators including waste diversion rates and recycling performance.

Our Approach

We comply with the Group Sustainability Policy, Environmental Policy and established waste management practices in line with the Environmental Quality (Scheduled Wastes) Regulations 2005. These measures prioritise waste avoidance and reduction before treatment or disposal, in line with regulatory requirements and operational constraints. We also maintain close collaboration with the Department of Environment (DOE) at state level, working proactively with authorities on waste handling, treatment and disposal requirements to strengthen compliance, address gaps in a timely manner and identify opportunities to enhance waste reduction and recovery in line with our commitment to circular economy.

Managing Hazardous Waste

MSM generates both hazardous and non-hazardous waste that requires controlled handling throughout its life cycle. Quantities are tracked monthly and reconciled against production data to ensure completeness of reporting. Hazardous waste includes items such as containers and equipment contaminated with chemicals which is managed in accordance with the Environmental Quality (Scheduled Wastes) Regulations 2005.

Oversight of this process is carried out by designated competent personnel, including Certified Environmental Professionals in Scheduled Waste Management (CePSWAM), who record observations within internal records and the Department of Environment (DOE) eSWIS system. Waste handling activities are further supported through engagement with DOE-accredited vendors and collectors to ensure waste is collected, transported, processed and disposed of in compliance with applicable regulations and standards.

Our Vendor & Contractor Waste Management Programme extends responsible waste management practices beyond internal operations to encompass all vendors and contractors engaged across our sites. Under this programme, contractors and service providers are required to comply with site-specific waste management requirements, covering proper waste segregation, handling, storage and disposal in accordance with regulatory and company standards. Engagement is prioritised with licensed waste contractors and recyclers to maximise opportunities for recycling and recovery. Governance is reinforced through regular performance evaluations of vendors and contractors, alongside periodic audits and site visits to verify proper waste handling practices, assess recycling and recovery effectiveness and identify further opportunities to enhance circular economy practices across our value chain.

OPTIMISING ENVIRONMENT PERFORMANCE

Waste Management

Managing Non-Hazardous Waste

MSM’s waste management approach emphasises environmental stewardship and the practical recovery measures across non-hazardous waste streams. Waste reduction is driven through material optimisation, segregation at source and controlled contractor engagement to minimise landfill dependency.

At MSM Prai, waste reduction initiatives are applied across both operational and office environments.

Since 2024, MSM Johor has segregated all packaging waste and sold it to licensed scrap contractors. As of 2025, we have generated a total of RM22,483.41 from this endeavour. Total recyclables including scrap metal, paper, plastics and other recoverable materials, has generated RM137,087.61 to MSM Johor in 2025. The site also conducts periodic environmental audits to meet Department of Environment (DOE) requirements and approval conditions across its operations. Licensed vendors are also engaged to manage the handling and disposal of mudcake, a by-product of sugar refining.

Research & Collaboration Initiative

In advancing our commitment to sustainable waste management, we collaborate with local universities to conduct research and technical studies on waste streams generated across our operations, with implementation carried out by respective site teams and supported by Group-level guidance. Through these collaborations, we leverage academic expertise and data-driven analysis to better understand waste characteristics, optimise waste handling practices and evaluate potential technologies and approaches that support long-term sustainability. The findings are expected to provide actionable insights that strengthen site-level operational practices, enhance resource recovery and support our transition towards a circular economy model.

Exploring and Expanding the Potential of Mudcake

Mudcake remains an area of focus within MSM’s sustainability efforts beyond its established use as an acid-reducing fertiliser. To this end, MSM is expanding research and collaborative activities to identify additional applications, including a partnership between MSM Johor and FGV Fertiliser to assess the use of mudcake combined with ground magnesium limestone for plantation use.

This initiative is complemented by engagement with higher education institutions and industry stakeholders, including collaboration with Universiti Utara Malaysia (UUM) to study the use of mudcake in bricks and animal feed and collaboration with Universiti Sains Malaysia (USM) to develop aquaculture feed for fish and shrimp using mudcake as a primary component. These initiatives assess the technical viability, agronomic value and market acceptance of mudcake applications. Recovery will pursue where performance and compliance conditions can be met.

Waste Reduction and Recycling Initiatives

Waste reduction at MSM focuses on minimising product loss and improving material use across operations. MSM Johor implemented the Net Content Control Study Programme to maintain accurate weight tolerance during production, reducing product overfill and associated material loss. This approach is supported by the installation of temperature and humidity monitoring systems in silos and dryers or coolers to prevent caking and reduce product deterioration, while the standardisation of packaging materials across operations reduces waste arising from defects by improving material durability.

Material use is further managed through monitoring of printing consumption across facilities and the use of digital alternatives where practicable. Recycling practices cover materials such as paper, scrap metal, plastic and paper cores, alongside collaboration with industry partners on a plastic reduction trial aimed at lowering overall plastic usage. While all plastic generated within MSM is currently recycled, this trial focuses on identifying opportunities to reduce plastic material use in line with waste reduction, resource conservation and circular economy principles.

Transforming Waste to Circularity

MSM has introduced practices to address paper core disposal by diverting materials previously sent to landfill into recycling streams. Since 2023, MSM’s Health, Safety, Environment and Sustainability (HSES) team has led a programme to manage paper core disposal by diverting materials previously sent to landfill into recycling streams through partnerships with recycling vendors for conversion into paper pulp. In 2025, this initiative generated RM28,639, demonstrating the value of recovering waste materials through more circular practices.

Through our Trash to Cash initiative, we take a systematic approach to the segregation, recovery and monetisation of recyclable waste streams across our operations. Implemented at site level with Group-level guidance and alignment, the initiative covers approved recyclables including scrap metal, paper, plastics and other recoverable materials, managed in collaboration with licensed recyclers. Performance is tracked through measurable indicators including total waste diverted from landfill, volume of recyclables recovered and value generated from recycling activities. Beyond resource recovery, the initiative supports improved housekeeping standards, strengthens environmental compliance and builds employee participation in sustainable practices. Collectively, MSM Prai’s waste-to-circularity initiatives generated RM265,355.59 in value recovery in 2025, demonstrating the integration of economic considerations into existing waste management practices while supporting resource efficiency and circularity objectives.

Driving Awareness and Engagement

Waste segregation and Reduce, Reuse and Recycle (3R) practices are reinforced through workforce engagement and collaboration with local authorities. We continue to strengthen our 3R Awareness & Engagement Initiative across all operational sites, driven at site level with overall guidance and alignment provided at the Group level. At MSM Johor, waste reduction efforts are centred on an ongoing 3R campaign and systematic waste segregation at source to support recycling and responsible disposal practices. Similar 3R initiatives are also carried out at SBW to promote waste segregation, recycling and responsible waste management practices at site level. At MSM Prai, a 3R programme is carried out in collaboration with SW Corp and Majlis Bandaraya Seberang Perai (MBSP), alongside the use of a food composting machine that converts organic waste into compost, which is distributed to schools and the local community through the Food Waste Fertiliser Distribution Programme. The initiative focuses on increasing employee awareness, improving waste segregation practices and encouraging behavioural change through toolbox briefings, internal communications, awareness materials and site-level activities, fostering accountability and ownership in waste reduction practices at all levels of the organisation. Through consistent implementation at site level, the initiative supports waste reduction at source, improves recycling rates and contributes to cultivating a culture of sustainability across our operations.

Waste Performance

Waste performance reflects both production output and the effectiveness of segregation and recovery initiatives at site level. Hazardous (scheduled) waste generated by MSM is disposed of using the following methods:



In 2025, MSM generated 21,234.22 MT of total waste, down 20.6% from 26,726.53 MT in 2024. Waste diverted from disposal totalled 20,724.34 MT, while waste directed to disposal decreased to 509.88 MT, a 57.3% reduction from the previous year. Although the volume of waste diverted declined in line with lower waste generation, we improved our waste diversion rate to 97.6% in 2025 from 95.5% in 2024, reflecting continued progress in waste management efficiency. Non-hazardous waste remained the dominant waste stream, while hazardous waste increased by 32.7% to 147.51 MT.

The improved waste performance was primarily driven by stringent monitoring, maintenance and controls across our operations, alongside compliance with regulatory requirements and internal health, safety and environment standards. Waste reduction at source, waste segregation and enhanced recycling, as well as effective scheduled waste management have also contributed to lower overall waste generation. We will continue to strengthen awareness and provide training among employees, vendors and contractors to further enhance our waste management practices.

Hazardous Waste & Non-Hazardous Waste

Total Waste Generated

2023

Waste by Composition (MT)	Waste Generated	Waste Diverted from Disposal	Waste Directed to Disposal
Non-Hazardous Waste	23,440.03	22,617.25	822.78
Hazardous Waste	472.57	0	472.57
Total Waste	23,912.60	22,617.25	1,295.35

2024

Waste by Composition (MT)	Waste Generated	Waste Diverted from Disposal	Waste Directed to Disposal
Non-Hazardous Waste	26,615.34	25,531.06	1,195.47
Hazardous Waste	111.19	0	0
Total Waste	26,726.53	25,531.06	1,195.47

2025

Waste by Composition (MT)	Waste Generated	Waste Diverted from Disposal	Waste Directed to Disposal
Non-Hazardous Waste	21,086.71	20,724.34	509.88
Hazardous Waste	147.51	0	0
Total Waste	21,234.22	20,724.34	509.88

OPTIMISING ENVIRONMENT PERFORMANCE

Renewable
Energy
and Energy
Management

Why It Matters
At MSM, we integrate energy efficiency and responsible energy management into our business operations as part of sustainable practices. This helps reduce operational costs and lower our carbon footprint through improved operational efficiency, while also reducing dependence on conventional energy sources and exposure to environmental and market fluctuations.

Our Approach
At MSM, we focus on optimising energy consumption to manage the environmental impact of our operations, which rely significantly on energy consumption. Our energy mix consists of self-generated electricity, purchased electricity, natural gas, diesel and LPG, with priority given to improving in-house electricity generation and assessing renewable energy alternatives to manage greenhouse gas emissions and carbon footprint.

We monitor energy use across all operational facilities and collect consumption data at defined intervals for analysis and reporting.

Furthermore, an energy audit was conducted in 2024 to identify opportunities and support readiness for compliance with the Energy Efficiency and Conservation Act (EECA) 2024, which came into effect on 1 January 2025.

OUR INITIATIVES

Cogeneration Plant

MSM Johor operates a cogeneration plant that supplies electricity and steam for sugar processing through the use of a natural gas boiler and a back-pressure steam turbine generator. At MSM Prai, a portion of electricity demand is met through an internal cogeneration plant, with the remaining supply sourced from the national grid. Operational efficiency at MSM Prai is supported by the use of a Mechanical Vapour Recompressor (MVR) system for steam recovery and a Vertical Crystalliser System (VKT) to improve sugar production efficiency.

LPG Forklifts

We have transitioned from diesel forklifts to liquefied petroleum gas (LPG) forklifts, which have been identified as more efficient based on a comparative study. LPG forklifts produce less noise, generate lower carbon emissions, require minimal maintenance and are suitable for diverse operating environments. In addition, we have converted our entire battery-operated forklift fleet from lead-acid batteries to lithium-ion batteries.

Solar Installation Programme

Our solar energy initiative is being implemented in phases:

Identified suitable rooftop areas at SBW

Rooftop repairs at SBW have been completed to strengthen structural readiness for future solar installation

The solar proposal is currently being enhanced by the developer

Upon receipt, the proposal will be reviewed for suitability prior to implementation

The Group's solar initiative remains under evaluation, taking into account the condition and structural suitability of the existing rooftops. To support the safe installation of solar panels, rooftop strengthening and repair works have been carried out where required, while the enhanced proposal from the developer will be reviewed before implementation proceeds.

OPTIMISING ENVIRONMENT PERFORMANCE

Renewable Energy and Energy Management

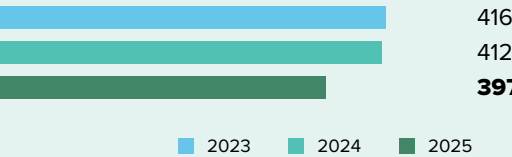
Energy Saving Measures

Energy audits at MSM Prai and MSM Johor identified several Energy Saving Measures (ESMs), including improvements in steam leakage management, boiler efficiency and steam-to-raw-material efficiency. These initiatives form part of MSM's ongoing efforts to strengthen energy performance across our operations.

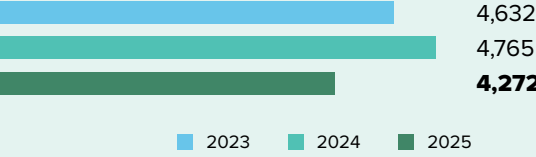
Energy Management Performance

Our total electricity consumption reduced to 397 terajoules (TJ) in 2025, compared with 412 TJ in 2024, representing a reduction of 3.6%. Electricity generated internally decreased by 2.9% to 219 TJ, while electricity purchased from external sources decreased by 4.5% to 178 TJ. Energy intensity also improved by 1.7 %, decreasing from 1.20 to 1.18 per unit of production.

Total Electricity Consumption (TJ)



Total Energy Consumption (TJ)



Breakdown of Energy Consumption by Sources	2023	2024	2025
Own Generated Electricity Consumption (kWh)	65,998,338	62,735,445	60,919,683
Total Purchased Electricity Consumption (kWh)	49,609,536	51,652,119	49,320,185
Diesel Consumption (Litres)	1,035,291	1,013,964	993,236
Petrol Consumption (Litres)	0	24,756	23,611
LPG Consumption (tonnes)	0	57	183
Natural Gas Consumption (mmBTU)	3,958,328	4,085,920	3,823,276

GOING FORWARD

We will strengthen the alignment between energy management practices and sustainability objectives, with a focus on reducing carbon footprint. This includes improving the efficiency of energy-consuming systems and optimising overall energy use to manage environmental impacts associated with our operations. We also aim to attain ISO 50001 Energy Management System certification in compliance with the EECA.

PERFORMANCE METRICS

Description	Unit	2023	2024	2025
Anti-Corruption				
Percentage of employees who have received training on anti-corruption by employee category				
Top & Senior Management	Percentage	100	83	83
Managerial	Percentage	100	99	88
Executive	Percentage	100	97	85
Non-Executive	Percentage	67	57	79
Percentage of operations assessed for corruption-related risks	Percentage	100	100	100
Confirmed incidents of corruption and action taken	Number	0	0	0
Community/Society				
Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	256,380.54	375,279.06	175,372.74
Total number of beneficiaries of the investment in communities	Number	10,000	11,148	13,327
Diversity				
Percentage of employees by gender and age group, for each employee category				
Age group by employee category				
Top & Senior Management under 30 years old	Percentage	0	0	0
Top & Senior Management between 30 to 50 years old	Percentage	56	52	52
Top & Senior Management above 50 years	Percentage	44	48	48
Managerial under 30 years old	Percentage	1	0	0
Managerial between 30 to 50 years old	Percentage	84	85	85
Managerial above 50 years old	Percentage	15	15	15
Executive under 30 years old	Percentage	31	31	29
Executive between 30 to 50 years old	Percentage	57	57	59
Executive above 50 years old	Percentage	11	12	12
Non-Executive under 30 years old	Percentage	31	28	24
Non-Executive between 30 to 50 years old	Percentage	61	64	68
Non-Executive above 50 years old	Percentage	8	8	8
Gender group by employee category				
Top & Senior Management - Male	Percentage	64	69	65
Top & Senior Management - Female	Percentage	36	31	35
Managerial - Male	Percentage	69	67	68
Managerial - Female	Percentage	31	33	32
Executive - Male	Percentage	62	59	59
Executive - Female	Percentage	38	41	41
Non-Executive - Male	Percentage	93	93	94
Non-Executive - Female	Percentage	7	7	6
Percentage of directors by gender and age group				
Male Director	Percentage	67	67	75
Female Director	Percentage	33	33	25
Under 30 years old	Percentage	0	0	0
Between 30 to 50 years old	Percentage	11	11	13
More than 50 years old	Percentage	89	89	87

PERFORMANCE METRICS

Description	Unit	2023	2024	2025
Energy Management				
Total energy consumption	Megawatt	1,286,701.00	1,323,650.00	1,186,440
Health and Safety				
Number of work-related fatalities	Number	0	0	0
Lost Time Injury Frequency Rate (LTIFR)	Rate	1.41	0.29	2.14
Number of employees trained on health and safety standards	Number	1,132	1,154	1,052
Labour Practices and Standards				
Total hours of training by employee category				
Top & Senior Management	Hours	751	942	1,580
Managerial	Hours	No Data Provided	6,386	9,620
Executive	Hours	5,669	10,352	14,018
Non-Executive	Hours	No Data Provided	11,760	12,155
Percentage of employees that are contract or temporary staff	Percentage	1.90	0.90	1.6
Total number of employee turnover by employee category				
Top & Senior Management	Number	2	3	7
Managerial	Number	18	20	19
Executive	Number	33	39	42
Non-Executive	Number	48	33	34
Number of substantiated complaints concerning human rights violations	Number	0	0	0
Supply Chain Management				
Proportion of spending on local suppliers	Percentage	98	99	85
Data Privacy & Security				
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Water				
Total volume of water used	Megalitres	2,213,040	2,080,565	1,863.517
Waste Management				
Total waste generated	Metric tonnes	23,912.60	26,726.53	21,234.22
Total waste diverted from disposal	Metric tonnes	22,617.25	25,531.06	20,724.34
Total waste directed to disposal	Metric tonnes	1,295.35	1,195.47	509.88
Emissions Management				
Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	238,497.26	246,560.77	220,623.13
Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	38,397.78	39,978.74	38,173.82
Scope 3 emissions in tonnes of CO ₂ e	Metric tonnes	1,496,229.49	2,103,849.37	2,052,993.14

PRESCRIBED TABLE

MSM Malaysia Holdings Berhad

BMLR Transition Period

Date & Time: 2026-04-22_18:11:52

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Occupational Safety and Health	Work Related Fatalities	Number	0	0	No assurance
Occupational Safety and Health	LTIFR	Rate	214	<2.00	No assurance
Occupational Safety and Health	Number of Employees Trained on Health and Safety Standards	Number	1052	1166	No assurance
Data Security and Protection	Number of Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	Number	0	0	No assurance
Governance , Ethics and Integrity	Percentage of Top & Senior Management Who Have Received Training on Anti-corruption	Percentage	83	100	No assurance
Governance , Ethics and Integrity	Percentage of Managerial Who Have Received Training on Anti-corruption	Percentage	88	100	No assurance
Governance , Ethics and Integrity	Percentage of Executives Who Have Received Training on Anti-corruption	Percentage	85	70	No assurance
Governance , Ethics and Integrity	Percentage of Non-executives Who Have Received Training on Anti-corruption	Percentage	79	60	No assurance
Governance , Ethics and Integrity	Percentage of Operations Assessed for Corruption-Related Risks	Percentage	100	100	No assurance
Governance , Ethics and Integrity	Confirmed Incidents of Corruption and Action Taken	Number	0	0	No assurance
Community/Society	Total Amount Invested in the Community Where the Target Beneficiaries Are External to MSM	RM	175,372.74	350,000.00	No assurance
Community/Society	Total Number of Beneficiaries of the Investment in Communities	Number	13,327	—	No assurance

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Page 1 of 5

MSM Malaysia Holdings Berhad

BMLR Transition Period

Date & Time: 2026-04-22_18:11:52

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Percentage of Employees in Top & Senior Management - Male	Percentage	65	—	No assurance
Diversity	Percentage of Employees in Top & Senior Management - Female	Percentage	35	—	No assurance
Diversity	Percentage of Employees in- Managerial - Male	Percentage	68	—	No assurance
Diversity	Percentage of Employees in- Managerial - Female	Percentage	32	—	No assurance
Diversity	Percentage of Employees as Executives - Male	Percentage	59	—	No assurance
Diversity	Percentage of Employees as Executives - Female	Percentage	41	—	No assurance
Diversity	Percentage of Employees as Non-Executives - Male	Percentage	94	—	No assurance
Diversity	Percentage of Employees as Non-Executives - Female	Percentage	6	—	No assurance
Energy Management	Total Energy Consumption	Megawatt	1186,440	—	No assurance
Water Management	Total Volume of Water Used	Megalitres	1863.517	—	No assurance
Waste Management	Total Waste Generated	Metric tonnes	21234.22	—	No assurance
Waste Management	Total Waste Diverted From Disposal	Metric tonnes	20724.34	—	No assurance
Waste Management	Total Waste Directed to Disposal	Metric tonnes	509.88	—	No assurance
Labor Practices and Standards	Total Hours of Training for Top & Senior Management	Hours	1580	—	No assurance
Labor Practices and Standards	Total Hours of Training for Managerial	Hours	9620	—	No assurance

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PRESCRIBED TABLE

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MSM Malaysia Holdings Berhad
BMLR Transition Period

Date & Time: 2026-04-22_J8:11:52
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Percentage of Directors by Gender - Male	Percentage	75	—	No assurance
Diversity	Percentage of Directors by Gender - Female	Percentage	25	—	No assurance
Diversity	Percentage of Directors by Age Group - Under 30 Years Old	Percentage	0	—	No assurance
Diversity	Percentage of Directors by Age Group - Between 30 to 50 Years Old	Percentage	13	—	No assurance
Diversity	* Percentage of Directors by Age Group - Above 50 Years Old	Percentage	87	—	No assurance
Footnote Metric	Restated "Above 51 Years Old" to "Above 50 Years Old"				

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GRI CONTENT INDEX

GRI Universal Standard				
Statement of Use		The Group has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.		
GRI 1 Used		GRI 1: Foundation 2021		
Applicable GRI Sector Standard:		Not applicable		
GRI Disclosure	GRI Disclosure Description		Page Number	Remarks / Omissions
GRI 2: General Disclosures 2021	The organisation and its reporting practices			
	2-1	Organisational details	Back cover	
	2-2	Entities included in the organisation's sustainability reporting	2	
	2-3	Reporting period, frequency and contact point	2-3	
	2-4	Restatements of information	82, 118	
	2-5	External assurance	–	The sustainability disclosures of this Report have not been externally assured. The Group will continue to strengthen its reporting processes and evaluate the scope and timing of obtaining independent assurance in future
	Activities and workers			
	2-6	Activities, value chain and other business relationships	4 - 12, 79–82	
	2-7	Employees	103–105, 125–127	
	2-8	Workers who are not employees	103, 125–126	
	Governance			
	2-9	Governance structure and composition	72–73, 156	
	2-10	Nomination and selection of the highest governance body	174-176	
	2-11	Chair of the highest governance body	148	The Independent Non-Executive Chairman of the Board is Datuk Syed Hisham Syed Wazir
	2-12	Role of the highest governance body in overseeing the management of impacts	72–73	
	2-13	Delegation of responsibility for managing impacts	73	
	2-14	Role of the highest governance body in sustainability reporting	72	
	2-15	Conflicts of interest	175	Refer to Audit, Governance and Risk Committee Report

GRI CONTENT INDEX

GRI Disclosure	GRI Disclosure Description		Page Number	Remarks / Omissions
GRI 2: General Disclosures 2021	2-16	Communication of critical concerns	76	
	2-17	Collective knowledge of the highest governance body	72	
	2-18	Evaluation of the performance of the highest governance body	164, 177-178	
	2-19	Remuneration policies	166	
	2-20	Process to determine remuneration	166, 176–177	
	2-21	Annual total compensation ratio	-	Not disclosed for the reporting period due to confidentiality of information
	Strategy, policies and practices			
	2-22	Statement on sustainable development strategy	17–18, 21–22, 68–71	Refer to Chairman's Statement, In Conversation with Our Group Chief Executive Officer and Sustainability Framework
	2-23	Policy commitments	75–78	
	2-24	Embedding policy commitments	75–78	
	2-25	Processes to remediate negative impacts	76–78	
	2-26	Mechanisms for seeking advice and raising concerns	76–78	
	2-27	Compliance with laws and regulations	75–76	
	2-28	Membership associations	-	MSM is a member of the 30% Club Malaysia
	Stakeholder engagement			
	2-29	Approach to stakeholder engagement	34–36	
GRI 3: Material Topics 2021	3-1	Process to determine material topics	37	
	3-2	List of material topics	3, 37–45	
Governance				
GRI 3: Material Topics 2021	Material Matter: Governance, Ethics and Integrity			
	3-3	Management of material topics	74–78	
GRI 205: Anti Corruption 2016	205-1	Operations assessed for risks related to corruption	75, 124	
	205-2	Communication and training about anti-corruption policies and procedures	77, 124	
	205-3	Confirmed incidents of corruption and action taken	77–78, 124	
GRI 3: Material Topics 2021	Material Matter: Traceability, Responsible Sourcing and Supply Chain Management			
	3-3	Management approach	79–82	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	80, 128	

GRI Disclosure	GRI Disclosure Description		Page Number	Remarks / Omissions
GRI 3: Material Topics 2021	Material Matter: Operational Performance			
	3-3	Management of material topics	83–84	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	83–84, 125	
GRI 3: Material Topics 2021	Material Matter: Data Security and Protection			
	3-3	Management of material topics	85–86	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	85–86, 126	
GRI 3: Material Topics 2021	Material Matter: Business Development and Product Quality			
	3-3	Management of material topics	87–88	
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	88	
Social				
GRI 3: Material Topics 2021	Material Matter: Occupational Health and Safety			
	3-3	Management approach	89–93	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	89	
	403-2	Hazard identification, risk assessment and incident investigation	89–91	
	403-3	Occupational health services	91	
	403-4	Worker participation, consultation and communication on occupational health and safety	89–90	
	403-5	Worker training on occupational health and safety	92–93, 126	
	403-6	Promotion of worker health	91–92	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	90–93	
	403-8	Workers covered by an occupational health and safety management system	89, 91–92	
	403-9	Work-related injuries	91–93, 126	
	403-10	Work-related ill health	93	

GRI CONTENT INDEX

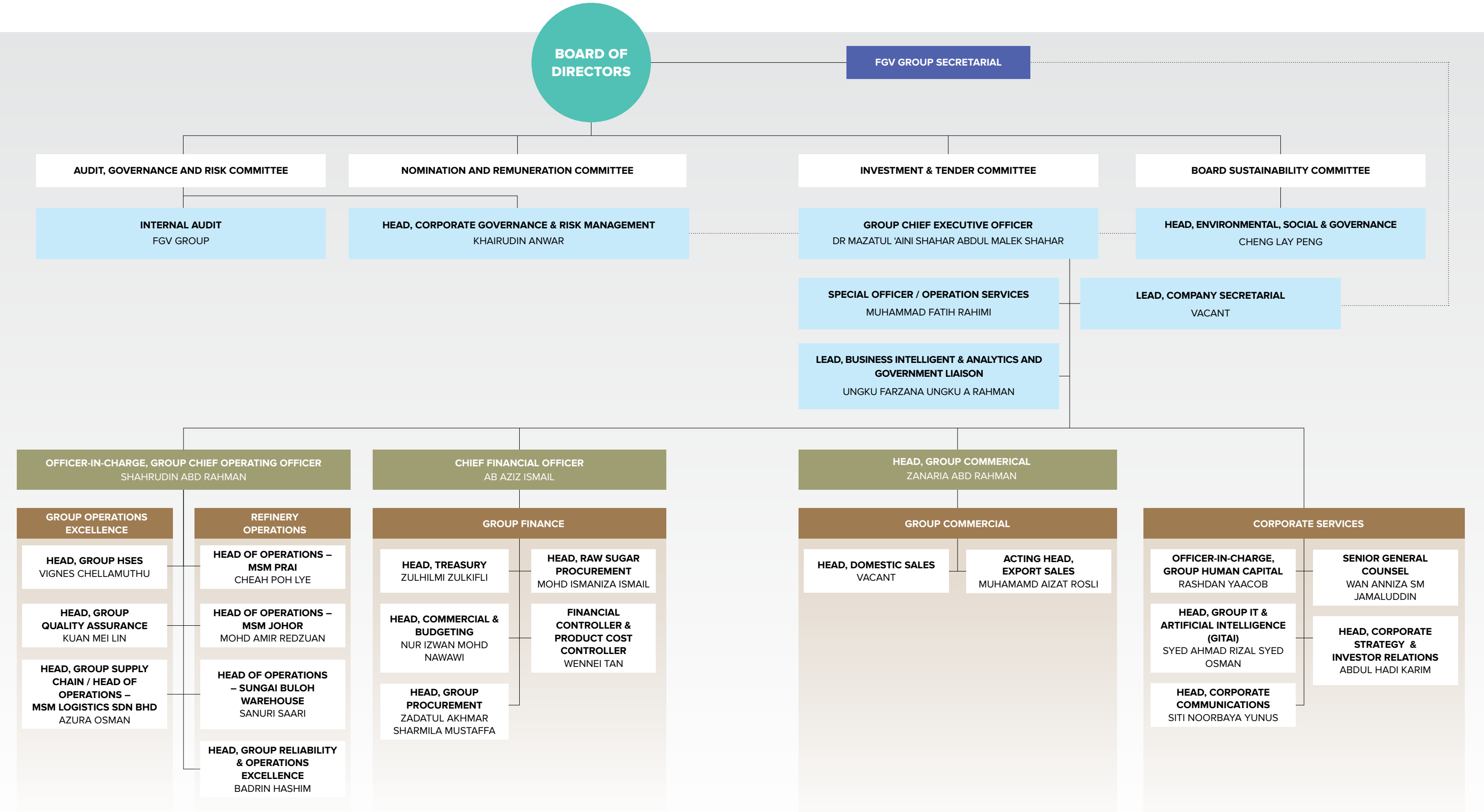
GRI Disclosure	GRI Disclosure Description		Page Number	Remarks / Omissions
GRI 3: Material Topics 2021	Material Matter: Upholding Human Rights and Labour Standards			
	3-3	Management of material topics	94–95	
GRI 402: Labour/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	94	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	94–95	
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	81, 94	There were no operations and suppliers at risk for incidents of child labour during the reporting period
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	81, 94	There were no operations and suppliers at risk for incidents of child labour during the reporting period
GRI 3: Material Topics 2021	Material Matter: Employee Engagement and Talent Management			
	3-3	Management of material topics	96–100	
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	98	
	401-3	Parental leave	98	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	98–100, 127–128	
	404-2	Programmes for upgrading employee skills and transition assistance programmes	99–100	
GRI 3: Material Topics 2021	Material Matter: Diversity, Equity & Inclusion			
	3-3	Management of material topics	101–105	
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	104, 124	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	104–105, 128	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	104, 128–129	
	406-1	Incidents of discrimination and corrective actions taken	102	
GRI 3: Material Topics 2021	Material Matter: Community Engagement and Development			
	3-3	Management of material topics	106–109	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments and development programmes	106–109	

GRI CONTENT INDEX

GRI Disclosure	GRI Disclosure Description		Page Number	Remarks / Omissions
GRI 3: Material Topics 2021	Material Matter: Climate Action			
	3-3	Management of material topics	110–116	
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	112–116	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	111, 125	
	305-2	Energy indirect (Scope 2) GHG emissions	111, 125	
	305-3	Other indirect (Scope 3) GHG emissions	111, 125	
	305-5	Reduction of GHG emissions	111	
GRI 3: Material Topics 2021	Material Matter: Water Management			
	3-3	Management of material topics	117–118	
GRI 303: Water and Effluents 2018	303-2	Management of water discharge-related impacts	118	
	303-4	Water discharge	118, 125	
	303-5	Water consumption	118, 125	
GRI 3: Material Topics 2021	Material Matter: Waste Management			
	3-3	Management of material topics	119–121	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	119–121	
	306-2	Management of significant waste-related impacts	119–121	
	306-3	Waste generated	121, 125	
	306-4	Waste diverted from disposal	121, 125	
	306-5	Waste directed to disposal	121, 125	
GRI 3: Material Topics 2021	Material Matter: Renewable Energy and Energy Management			
	3-3	Management of material topics	122–123	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	122–123, 125	
	302-4	Reduction of energy consumption	122–123	

OUR ORGANISATIONAL STRUCTURE

OUR ORGANISATIONAL STRUCTURE



BOARD OF DIRECTORS



DATUK SYED HISHAM SYED WAZIR
Chairman, Independent
Non-Executive Director

Age
71



Date of Appointment
8 May 2020

Length of Tenure as Director
5 - 7 years

Date of Last Re-election
6 June 2024

Board/Board Committee Meeting Attendance	BOD	NRC
	21/21	2/2

Board Committee Membership
Nil

- Qualification(s):
- Master in Business Administration, Ohio State University, United States of America
 - Bachelor of Science in Mechanical Engineering, Plymouth University, United Kingdom
 - Ordinary National Diploma in Engineering, Hastings College of Further Education, United Kingdom

- Working Experience and Occupation:
- Independent Non-Executive Chairman, Progressive Impact Corporation Berhad (May 2023 - present)
 - Non-Executive Director, SIRIM STS Sdn Bhd (August 2019 - present)
 - Non-Executive Director, SIRIM National Precision Tooling Sdn Bhd (November 2017 - present)
 - Non-Executive Director, SIRIM QAS International Sdn Bhd (June 2017 - present)
 - Independent Non-Executive Director, Bermaz Auto Berhad (December 2016 - October 2025)
 - Non-Executive Chairman, SIRIM National Precision Tooling Sdn Bhd (November 2017 - October 2020)
 - Non-Executive Chairman, SIRIM QAS International Sdn Bhd (January 2019 - October 2020)
 - Director, SIRIM Berhad (July 2017 - August 2019)
 - Group Managing Director, Puncak Niaga Holdings Berhad (November 2015 - July 2017)
 - President & Group Chief Executive Officer, UMW Holdings Berhad (October 2010 - October 2015)
 - Director, UMW Oil & Gas Corporation Berhad (2010 - September 2015)
 - Director, UMW Equipment Sdn Bhd (2010 - September 2015)
 - Director, UMW M&E Sdn Bhd (2010 - September 2015)
 - Director, UMW Toyota Motor Sdn Bhd (2010 - September 2015)
 - Director, KYB-UMW Malaysia Sdn Bhd (2010 - September 2015)
 - Director, PERODUA Sales Sdn Bhd (2010 - September 2015)
 - Director, PERODUA Manufacturing Sdn Bhd (2010 - September 2015)
 - Director, PERODUA Engine Manufacturing Sdn Bhd (2010 - September 2015)
 - Director, Toyota Capital Malaysia Sdn Bhd (2011 - September 2015)
 - Director, UMW Technology Sdn Bhd (2013 - September 2015)
 - Chief Operating Officer, Naza Kia Sdn Bhd & Naza Kia Services Sdn Bhd (November 2009 - August 2010)
 - Managing Director, Edaran Otomobil Nasional Berhad (May 2005 - August 2009)
 - President/Chief Operating Officer, Honda Malaysia Sdn Bhd (2003 - May 2005)
 - General Manager, Marketing Division, Honda Malaysia Sdn Bhd (January 2001 - December 2002)
 - General Manager, International Business, DRB-HICOM Export Corporations Sdn Bhd (April 1998 - December 2000)
 - Director, Proton Cars (UK) Pte Ltd (1997 - 1998)
 - General Manager, Proton Corporations Sdn Bhd (1995 - March 1998)

Directorship in Public Companies/Listed Issuers:

- Progressive Impact Corporation Berhad



DATUK DR ABD HAPIZ ABDULLAH
Independent
Non-Executive Director

Age
67



Date of Appointment
8 May 2020

Length of Tenure as Director
5 - 7 years

Date of Last Re-election
6 June 2024

Board/Board Committee Meeting Attendance	BOD	AGRC	NRC	ITC
	21/21	5/5	10/10	2/2

Board Committee Membership
• Chairman of Nomination and Remuneration Committee

- Qualification(s):
- Doctor of Philosophy (PhD) in Organic Chemistry, Utah State University, Logan, Utah, United States of America
 - Bachelor of Science (BSc) in Chemistry, University of Nevada, Reno, Nevada, United States of America

- Working Experience and Occupation:
- Independent Non-Executive Director (INED), Perdana Petroleum Berhad (April 2015 - present)
 - Venture Partner, Xeraya Capital (February 2015 - present)
 - INED, Ancom Nylex Berhad (May 2020 - 2025)
 - INED, P2 Science Inc, USA (February 2016 - 2024)
 - Chairman, Chemical Industry Council of Malaysia (CICM) (June 2010 - 2025)
 - President/Chief Executive Officer, Petronas Chemicals Group Berhad (May 2011 - May 2014)
 - Managing Director, Dupont Malaysia Sdn Bhd & Asia Pacific Regional Director Dupont Glass Laminated Solutions Asia Pacific (April 1995 - May 2011)
 - Regional Marketing Manager, Dow Chemical Polyolefins Asia Pacific (January 1985 - April 1995)
 - Chemistry Lecturer, University Malaya (1984)

Directorship in Public Companies/Listed Issuers:

- Perdana Petroleum Berhad



DATO' DR SUZANA IDAYU WATI OSMAN
Non-Independent
Non-Executive Director

Age
57



Date of Appointment
16 August 2024

Length of Tenure as Director
< 3 years

Date of Last Re-election
19 June 2025

Board/Board Committee Meeting Attendance	BOD	NRC
	21/21	10/10

Board Committee Membership
• Member of Nomination and Remuneration Committee

- Qualification(s):
- Doctor of Philosophy (PhD) in Finance, Universiti Putra Malaysia
 - Advanced Management Program (AMP 177), Harvard Business School, Harvard University, United States of America
 - Master of Business Administration (MBA) (Finance), Universiti Putra Malaysia
 - Degree BA (Hons), Business Studies, University of Huddersfield, United Kingdom

- Working Experience and Occupation:
- Director, Waqaf FELDA (June 2025 – present)
 - Director, Malaysian Palm Oil Board (June 2025 – present)
 - Director General, Federal Land Development Authority (FELDA) (November 2024 - present)
 - Board of Trustees, Yayasan Felda (November 2024 - present)
 - Director, Felda Investment Corporation Sdn Bhd (December 2024 - present)
 - Non-Independent Non-Executive Director, FGV Holdings Berhad (April 2024 - present)
 - Chairperson, IIUM Holdings Sdn Bhd (May 2022 - present)
 - Public Interest Director, Private Pension Administrator Malaysia (March 2022 - present)
 - Chief Investment Officer, Social Security Organisation of Malaysia (January 2016 - September 2021)
 - EVP/Head of Special Projects, Felda Global Ventures Holdings Berhad (April 2015 - December 2015)
 - EVP/Global Head of Sugar, Felda Global Ventures Holdings Berhad (February 2014 - March 2015)
 - EVP/Chief Strategy Officer, Felda Global Ventures Holdings Berhad (January 2010 - January 2014)
 - Deputy Group Chief Executive Officer, Felda Global Ventures Holdings Sdn Bhd (January 2008 - January 2010)
 - Administrative Officer (Investment Analyst/Head of Investment), FELDA (June 1998 - December 2007)
 - Forex Dealer, International Business Division, Sime Bank (1997)
 - Assistant Vice President, Forex & Fund Management Department, Bank of Tokyo Mitsubishi Berhad (July 1994 - December 1996)

Directorship in Public Companies/Listed Issuers:

- FGV Holdings Berhad
- Private Pension Administrator Malaysia

Trusteeships of Foundations:

- Yayasan Felda



NURUL MUHANIZA HANAFI
Non-Independent
Non-Executive Director

Age
49



Date of Appointment
1 December 2024

Length of Tenure as Director
< 3 years

Date of Last Re-election
19 June 2025

Board/Board Committee Meeting Attendance	BOD	AGRC	ITC	BSC
	21/21	4/4	3/3	4/4

Board Committee Membership
• Chairman of Investment and Tender Committee
• Member of Audit, Governance and Risk Committee
• Member of Board Sustainability Committee

- Qualification(s):
- Advocate & Solicitor (High Court of Malaya)
 - Bachelor's Degree in Laws, International Islamic University Malaysia

- Working Experience and Occupation:
- Honorary Secretary, Selangor Bar Committee (March 2026 - March 2027)
 - Honorary Secretary, Selangor Bar Committee (March 2025 - March 2026)
 - Independent Non-Executive Director, FGV Holdings Berhad (April 2024 - present)
 - Managing Partner, Messrs Abu Zahar Syed Mohd Fuad & Partners (Kelana Jaya) (present)
 - Selangor State Bar Committee Member (2012 - present)
 - Chairperson, Conveyancing Practice Committee and Syariah (2012 - present)
 - Chairperson, Bahasa Melayu Committee (2012 - present)
 - President, Strata Management Tribunal under the Ministry of Housing and Local Government (2016 - 2018)
 - Committee Member of the Joint Management Body (2013)
 - Kuala Lumpur Bar Committee Member (2009/2010 and 2010/2011)
 - Committee Member, Jawatankuasa Lembaga Hakmilik Strata Wilayah Persekutuan Kuala Lumpur
 - Special Committee Member, Jawatankuasa Wakaf Kolej Islam Malaya dan Lembaga Amanah Kolej Islam Malaya (LAKIM)

Directorship in Public Companies/Listed Issuers:

- FGV Holdings Berhad

BOARD OF DIRECTORS



DATO' MOHD BANURI ARIS
Non-Independent Non-Executive Director

Age
60



Date of Appointment
1 December 2024

Length of Tenure as Director
< 3 years

Date of Last Re-election
19 June 2025

Board/Board Committee Meeting Attendance

BOD

18

/21

Board Committee Membership

- Nil

Qualification(s):

- Bachelor in Mass Communication, Universiti Putra Malaysia
- Diploma TVET Malaysian Skills, TVET
- Diploma in Counselling, Institut Pengajian Islam

Working Experience and Occupation:

- Professor Adjung, Fakulti Sains Sosial Gunaan, Universiti Sultan Zainal Abidin (April 2025 - present)
- Chairman, Koperasi Permodalan FELDA Malaysia Berhad (KPF) (present)
- Director, FIC UK Properties Sdn Bhd (present)
- Penolong Pesuruhjaya Kehormat Angkatan Pertahanan Awam (APM) (April 2019 - present)
- Director, Pusat Hemodialis FELDA (2018 - present)
- Deputy Director General Community Development, FELDA (January 2024 - January 2026)
- Director, FIC Resources Sdn Bhd (June 2024 - March 2025)
- Chairman, FIC Integrated Properties Management Sdn Bhd (June 2024 - March 2025)
- Director, FELDA Investment Corporation Sdn Bhd (June 2024 - December 2024)
- Director, Koperasi Angkatan Pertahanan Awam (November 2024)
- Setiausaha Lembaga, Yayasan FELDA (2011 - 2024)
- International Welfare Affairs Consultant, Ministry of Foreign Affairs (2022 - 2023)
- Deputy Director, Yayasan FELDA (2007 - 2011)
- Administrative Manager, Yayasan FELDA (2005 - 2007)
- Head of Personal Services, Land General Bhd (1996 - 2005)
- Liaison Officer, PPTH/Embassy of the Kingdom of Saudi Arabia (1987 - 1995)

Directorship in Public Companies/Listed Issuers:

- Nil



TAN CHEE BENG
Independent Non-Executive Director

Age
55



Date of Appointment
12 September 2025

Length of Tenure as Director
< 3 years

Date of Last Re-election
-

Board/Board Committee Meeting Attendance

BOD

6

/6

AGRC

4

/4

ITC

3

/3

BSC

1

/1

Board Committee Membership

- Chairman of Audit, Governance and Risk Committee
- Member of Investment and Tender Committee
- Member of Board Sustainability Committee

Qualification(s):

- CA (M) - Chartered Accountant of Malaysia, Malaysian Institute of Accountants
- CPA (M) - Certified Public Accountant of Malaysia, Malaysian Institute of Certified Public Accountants
- CPA (Cambodia) - Certified Public Accountant of Cambodia, Kampuchea Institute of Certified Public Accountants and Auditors
- ACPA - ASEAN Chartered Professional Accountant, The ASEAN Chartered Professional Accountant Coordinating Committee

Working Experience and Occupation:

- Senior Partner, Grant Thornton Malaysia PLT (present)
- Independent Non-Executive Director, Tomei Consolidated Berhad (August 2025 - present)
- Chairman, Disciplinary Appeal Board, Malaysian Institute of Accountants (MIA) (December 2025 - present)
- Council Member, MIA (April 2025 - present)
- Member, Disciplinary Appeal Board, MIA (April 2025 - present)
- Member, Education Board, MIA (August 2025 - present)
- Council Member, Malaysian Institute of Certified Public Accountants (2020 - 2025)

Directorship in Public Companies/Listed Issuers:

- Tomei Consolidated Berhad



THANNEERMALAI A/L SP SM SOMASUNDARAM
Independent Non-Executive Director

Age
71



Date of Appointment
12 September 2025

Length of Tenure as Director
< 3 years

Date of Last Re-election
-

Board/Board Committee Meeting Attendance

BOD

5

/6

AGRC

4

/4

NRC

3

/3

BSC

1

/1

Board Committee Membership

- Chairman of Board Sustainability Committee
- Member of Audit, Governance and Risk Committee
- Member of Nomination and Remuneration Committee
- Member of Investment and Tender Committee

Qualification(s):

- Chartered Accountant, Malaysian Institute of Accountants (MIA)
- Fellow of Associated Chartered Tax Institute of Malaysia, Chartered Tax Institute of Malaysia
- Member of Associated Chartered Accountant, Institute of Chartered Accountants In England and Wales

Working Experience and Occupation:

- Independent Non-Executive Director, SHL Consolidated Bhd (December 2022 - present)
- Public Interest Director, Private Pension Administrator Malaysia (August 2021 - present)
- Managing Director and Founder, Thannees Tax Consulting Services Sdn Bhd (January 2018 - present)
- Managing Director, Crowe Howarth KL Tax Sdn Bhd (July 2015 - December 2017)
- Senior Executive Director, PricewaterhouseCoopers Taxation Services Sdn Bhd (1985 - June 2015)

Directorship in Public Companies/Listed Issuers:

- SHL Consolidated Bhd

- Additional Information:
- None of the Directors has any family relationships with any Director and/or major shareholder of MSM Malaysia Holdings Berhad.
 - None of the Directors has any conflict of interest or potential conflict of interest, including interest in any competing business with MSM Malaysia Holdings Berhad or its subsidiaries.
 - None of the Directors has:

(i) been convicted of any offence (other than traffic offences) within the past 5 years; and

(ii) been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2025.
 - None of the Directors holds more than five directorships in listed issuers.
 - The details of the Directors' attendance at Board Meetings held in the financial year ended 31 December 2025 are detailed in the Corporate Governance Overview Statement on pages 156 and 157 of this Report.
 - All ages stated are as at 31 March 2026.

BOARD OF DIRECTORS

COMPANY SECRETARY



AKMAL NAZARUDDIN
Company Secretary

Age
55



Date of Appointment
1 August 2025

Directorship of public companies
-

Qualification(s):

- Licensed Secretary, Companies Commission of Malaysia
- Professional Diploma in Corporate Administration, Malaysian Institute of Chartered Secretaries and Administrators
- Certificate in Company Secretaryship, Institut Usahawan Bumiputra
- Diploma in Accountancy, MARA Institute of Technology

Working Experience and Occupation:

- Company Secretary, MSM Malaysia Holdings Berhad and its Group of Companies (August 2025 - present)
- Company Secretary, FGV Holdings Berhad and its Group of Companies (August 2025 - present)
- Senior General Manager, Group Secretarial Division, FGV Holdings Berhad (January 2026 - present)
- General Manager, Group Secretarial Division, FGV Holdings Berhad (May 2024 - December 2025)
- Senior Manager, Group Secretarial Division, FGV Holdings Berhad (January 2018 - April 2024)
- Manager, Group Secretarial Division, FGV Holdings Berhad (July 2014 - December 2017)
- Group Company Secretary, UDA Holdings Berhad (March 2013 - July 2014)
- Manager, Company Secretary, UDA Holdings Berhad (November 2002 - March 2013)
- Company Secretarial Assistant, Quantum Commercial Resources Sdn Bhd (November 2000 - October 2002)
- Tax Assistant, KPMG Tax Services Sdn Bhd (December 1993 - June 1998)

- Additional Information:
- The Company Secretary does not have any conflict of interest (COI) or potential COI and any family relationship with any Director and/or major shareholder of MSM Malaysia Holdings Berhad.
 - The Company Secretary has not:

(i) been convicted of any offence (other than traffic offences); and

(ii) been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.
 - Age stated is as at 31 March 2026.

MANAGEMENT COMMITTEE



Age
54



DR MAZATUL 'AINI SHAHAR ABDUL MALEK SHAHAR

Group Chief Executive Officer

Appointment to the Position

4 February 2026

Academic/Professional Qualification(s):

- Fellow, Institute of Chartered Accountants in England and Wales, United Kingdom
- Chartered Accountant, Malaysian Institute of Accountants (MIA)
- Doctor of Philosophy (PhD) in Islamic Banking & International Economics, University of East London, United Kingdom
- Bachelor of Arts (BA) (Hons) in Industrial Economics, University of Nottingham, United Kingdom

Relevant Experience

Dr Mazatul 'Aini Shahar Abdul Malek Shahar (Dr 'Aini) brings 30 years of leadership experience in transformation and turnaround management, business leadership and strategic fundraising. She served as Chief Financial Officer of Cagamas Berhad and previously as Chief Financial Officer of MSM Malaysia Holdings Berhad.

She was also the Group Chief Financial Officer of Proton Holdings Berhad (Proton), where she supported the merger & acquisition (M&A) process culminating in Proton's strategic partnership and transaction with Zhejiang Geely Group, including cashflow management prior to completion. Dr 'Aini has also held senior roles at Aseambankers Malaysia Berhad and Bank Pembangunan Malaysia Berhad.

Dr 'Aini began her career with Arthur Andersen & Co. after graduating from the University of Nottingham, United Kingdom, and is a Fellow Chartered Accountant of the Institute of Chartered Accountants in England and Wales (ICAEW).

Dr 'Aini has board and governance experience, having served as an Independent Non-Executive Director and Audit Committee member of 7-Eleven Malaysia Holdings Berhad and TH Heavy Engineering Berhad, and as an Independent Non-Executive Director of IJN Holdings Sdn. Bhd., where she served as Chairman of the Board Tender Committee and a member of the Board Finance Committee.

Roles and Responsibilities

As Group CEO, Dr 'Aini provides overall leadership and direction for the Group, overseeing the execution of corporate strategy and the delivery of operational and financial performance.

Dr 'Aini is responsible for strengthening business fundamentals, driving disciplined execution across the organisation and ensuring decisions are guided by sound business principles and governance practices.

Additionally, Dr 'Aini leads efforts to align the leadership team towards achieving the Group's strategic priorities. Working closely with the Board and Senior Management, she steers initiatives to stabilise operations, improve competitiveness and position the Group for sustainable long-term growth.

Directorship in Public Companies/Listed Issuers

- None

Directorship in MSM Group of Companies

- MSM Prai Berhad
- MSM Sugar Refinery (Johor) Sdn Bhd
- MSM Logistics Sdn Bhd
- MSM Trading & Distribution Sdn Bhd



Age
59



AB AZIZ ISMAIL

Chief Financial Officer

Appointment to the Position

1 April 2025

Academic/Professional Qualification(s):

- Fellow Member of the Association of Chartered Certified Accountants (ACCA), United Kingdom
- Chartered Accountant with Malaysian Institute of Accountants (MIA)

Relevant Experience

Ab Aziz Ismail is an experienced finance professional with over 30 years of experience in accounting and financial management across various sectors. He began his career as an auditor at a Chartered Accountant Firm in London, United Kingdom, before joining Felda Holdings Bhd as Senior Audit Manager in the Internal Audit Department.

His expertise in financial oversight led him to become the General Manager at Felda Trading Bhd, followed by his role as Chief Financial Officer (CFO) at Felda Iffco Sdn Bhd. Ab Aziz then joined FGV Trading Sdn Bhd as Senior General Manager for Support Services, before advancing to Group Financial Controller (Plantation Sector) at FGV Holdings Berhad.

His leadership in the financial sector continued as he served as Deputy CFO at MSM Malaysia Holdings Berhad before stepping into the role of CFO, a position he held for several years. In his most recent role, he served as Sector Accountant in the Oil and Fats Division of FGV Holdings Berhad.

Roles and Responsibilities

As the CFO, Ab Aziz is responsible for overseeing the financial operations of the Group. His duties include ensuring effective financial planning, budgeting, forecasting, reporting and control to support strategic business decisions.

He provides leadership in developing and implementing financial policies and strategies, ensuring compliance with regulatory and corporate governance requirements. He also plays a key role in financial risk management and supports the Group's overall financial health, sustainability and growth initiatives.

Directorship in Public Companies/Listed Issuers

- None

Directorship in MSM Group of Companies

- MSM Prai Berhad
- MSM Sugar Refinery (Johor) Sdn Bhd
- MSM Logistics Sdn Bhd
- MSM Trading & Distribution Sdn Bhd



Age
57



SHHRUDIN ABD RAHMAN

Officer-in-charge (OIC), Group Chief Operating Officer

Appointment to the Position

1 August 2025

Academic/Professional Qualification(s):

- Bachelor of Science (with Distinction), Mechanical Engineering, Clarkson University, United States of America

Relevant Experience

Shahrudin is a seasoned manufacturing and supply chain leader with over three decades of experience across the chemical, FMCG, and industrial sectors. He has held senior roles including Senior Director of Operations at Procter & Gamble, overseeing multimillion-dollar facilities and regional supply networks.

Renowned for driving operational excellence, cost efficiency, and process reliability, Shahrudin has led greenfield startups, optimised value streams, and delivered significant productivity gains. His expertise spans governance, HSE, and organisational transformation, making him a key driver of reliability and sustainable business growth.

Roles and Responsibilities

As OIC, Group Chief Operating Officer (OIC Group COO), Shahrudin leads the Group's operational strategy, ensuring efficiency, supply chain optimisation and alignment with business objectives. He oversees production operations, financial planning and risk management to maintain seamless operations while ensuring regulatory compliance.

He is responsible for managing operational budgets, driving cost efficiency and working closely with the finance team to monitor performance and support forward planning. He also oversees quality assurance and compliance with health, safety and environmental standards, ensuring adherence to insutry regulations and certification requirements.

Shahrudin champions continuous improvement initiatives through lean manufacturing, Six Sigma and automation, while benchmarking operational practices against industry standards to enhance productivity and competitiveness. He also promotes leadership development, talent growth and succession planning to foster a high-performance culture across the organisation.

Directorship in Public Companies/Listed Issuers

- None

Directorship in MSM Group of Companies

- None



Age
48



WAN ANNIZA S.M. JAMALUDDIN

Senior General Counsel

Appointment to the Position

12 July 2018

Academic/Professional Qualification(s):

- Bachelor of Laws (Honours), National University of Malaysia (UKM)
- Diploma in Islamic Judicial and Legal Administration, National University of Malaysia (UKM)

Relevant Experience

Anniza is an experienced senior executive and legal counsel with over 20 years of post-qualification experience. Following several years in private practice where she specialised in all aspects of Intellectual Property law, Anniza then moved on to the corporate world and served in various industries including collective licensing of music recordings, retail and telecommunications where she honed her skills and knowledge in a variety of practice areas including corporate and commercial law with special emphasis on mergers and acquisitions.

Prior to her appointment as Head of Legal Affairs with MSM, she was the Senior Legal Manager for FGV Holdings Berhad, a position she took on in 2015.

Roles and Responsibilities

Overseeing all legal aspects of the business, including providing strategic legal advice to the Executive Team, managing legal risks, ensuring regulatory compliance (e.g., sanctions, environmental, labour, safety), and handling contract negotiations.

Incumbent leads the in-house legal team, oversees litigation, and manages intellectual property protection, in addition to supporting corporate governance, guide mergers and acquisitions, and ensures that the Group adheres to ethical standards.

Additionally, the incumbent ensures the Group's compliance with local and international laws, manages external lawyers, and advises on crisis management, all while safeguarding the Group's legal and operational interests.

Directorship in Public Companies/Listed Issuers

- None

MANAGEMENT COMMITTEE



ABDUL HADI KARIM

Head, Corporate Strategy & Investor Relations

Appointment to the Position
1 March 2021
Academic/Professional Qualification(s):
- Master of Business Administration (Islamic Finance), Open University Malaysia (OUM) - Bachelor of Business Administration (International Business), Multimedia University (MMU)
Relevant Experience
Hadi brings over 15 years of experience across diverse sectors including food, construction, and banking, with expertise in strategic planning, corporate finance, investor relations, business development, performance delivery, and investment monitoring. His career began in the banking industry, where he held various positions at both local and international banks. His last role was as a Relationship Manager in the Corporate & Investment Banking Division of Al-Rajhi Banking Group. He then transitioned to the construction sector, taking on the role of Manager, Corporate Finance, where he was responsible for raising project financing, driving business development, and leading corporate initiatives.
In July 2018, Hadi joined MSM as Manager of Corporate Strategy, and in March 2021, he advanced to his current position as Head of Corporate Strategy and Investor Relations.
Roles and Responsibilities
Hadi leads strategic business development and drives the formulation and refinement of the Group's strategic blueprint. His key responsibilities encompass overseeing investment and divestment activities, including mergers and acquisitions (M&A), equity partnerships, and corporate finance. He also conducts market research and business intelligence analysis, provides financial oversight, and manages budgeting processes. Beyond his strategic role, Hadi spearheads Investor Relations, ensuring effective analyst engagement, shareholder communications, and integrated reporting.
Directorship in Public Companies/Listed Issuers
None



CHENG LAY PENG

Head, Environmental, Social & Governance

Appointment to the Position
3 January 2023
Academic/Professional Qualification(s):
- Master in Business Administration (General Management), Atlantic International University, United States of America - Bachelor of Science (Chemistry & Biology), Campbell University, United States of America
Relevant Experience
Lay Peng has over 25 years of experience working in multinational and large Malaysian corporations. She brings with her diverse experience in research and development and global product portfolio transfer programme as the Asia-Pacific (APAC) lead in performance chemical company.
She possesses a career portfolio in government-linked and public listed companies as part of the plant operations management, providing accurate financial statements, creating strategic financial and budget projections, operation efficiency and upholding environment, health and safety (EHS) and compliance requirements. She was also a project lead in multiple green and brown field projects.
Prior to her current role, she held a role in setting corporate social responsibility (CSR) and sustainability strategy, in alignment with the Group's overall direction.
Roles and Responsibilities
Lay Peng is responsible for leading the Group's sustainability vision, ensuring that ESG principles are embedded into the business strategy and operations to foster long-term value creation while mitigating climate-related and sustainability risks to achieve the Group's net-zero commitment. She spearheads the development and execution of the Group's sustainability strategy, ensuring alignment with ESG best practices, regulatory requirements and stakeholder inclusivity. She drives sustainable growth while balancing financial performance with corporate responsibility and regulatory compliance.
Directorship in Public Companies/Listed Issuers
None



KHAIRUDIN ANWAR

Head, Corporate Governance & Risk Management

Appointment to the Position
4 March 2025
Academic/Professional Qualification(s):
- Certified Professional in Integrity Assurance and Management - Certified Integrity Officer (CeIO), Malaysian Anti-Corruption Commission (MACC) - Master of Business Administration (General Management), Open University Malaysia (OUM) - Bachelor of Information Technology (Computer Science), National University of Malaysia (UKM)
Relevant Experience
Khairudin has a dynamic portfolio of experience in Corporate Governance and Integrity (Formulation, Compliance, Complaint & detection (Whistleblowing) and Investigation), Information Technology (IT security, IT Governance, Change Management, System & Method, Project Manager, Network and Server) and is a Certified Integrity Officer (CeIO).
Prior to his present appointment, Khairudin served for five years within the FGV Group with the Manager of the Governance & Compliance Department being his last position. He had served 18 years within the FGV Prodata System Sdn Bhd with his last position being Manager of IT Security, System & Method (Policy and Procedures), Change Management and IT Governance.
Roles and Responsibilities
Khairudin heads the Corporate Governance & Risk Management (CGRM) Division at MSM, driving strategic and operational leadership while upholding the highest standards of corporate governance. He leads the integration of ESG practices and digitalisation initiatives, ensuring a sustainable and responsible future for the Group while enhancing operational excellence.
Committed to fostering a strong governance culture, Khairuddin spearheads MSM's risk management initiatives, positioning the Company as an industry benchmark in governance and risk oversight. He promotes integrity, sound risk management practices and corporate transparency, ensuring MSM operates with accountability and resilience. Through his leadership, he cultivates a culture of ethical decision-making and governance excellence, reinforcing MSM's reputation as a trusted industry leader.
Directorship in Public Companies/Listed Issuers
None



ZANARIA ABD RAHMAN

Head, Group Commercial

Appointment to the Position
4 February 2026
Academic/Professional Qualification(s):
- Master of Science in Information Management, MARA University of Technology (UiTM) - Bachelor of Business Administration with Honor (Human Resource Management), MARA University of Technology (UiTM) - Diploma in Executive Secretaryship, MARA Institute of Technology
Relevant Experience
Zanaria is a senior commercial and growth strategy leader with over 20 years of leadership experience across multinational FMCG and consumer-driven food and beverage (F&B) businesses.
She brings deep expertise in commercial strategy, go-to-market execution, trade investment governance, and category leadership, with a strong track record of translating consumer and market insights into scalable business outcomes.
Throughout her career, Zanaria has led enterprise-wide commercial and channel strategies, overseen significant trade and investment portfolios while strengthening financial discipline, accountability, and return on investment. She is also recognised for contributing to business turnarounds, driving sustainable growth, disciplined commercial governance, and market leadership across complex, multi-channel environments and innovation at scale.
Roles and Responsibilities
Zanaria heads MSM's Group Commercial Division which comprises of Domestic Sales and Export Sales Departments. She steers the division that strives for improved sales and revenue for the Group while simultaneously optimising the selling and distribution to both domestic and export customers.
She fosters a culture of integrity and teamwork across functions, supporting sustained productivity. She also maintains ongoing government engagement and relationships to ensure the Group's interests are well protected.
Directorship in Public Companies/Listed Issuers
None

MANAGEMENT COMMITTEE



MOHD ISMANIZA ISMAIL

Head, Raw Sugar Procurement

Appointment to the Position
1 November 2025
Academic/Professional Qualification(s):
- Certified Financial Technician (CFTe), International Federation of Technical Analyst - Bachelor of Science, Business Statistics (Hons), MARA University of Technology (UiTM) - Diploma in Quantitative Science, MARA University of Technology (UiTM)
Relevant Experience
Mohd Ismaniza is a seasoned commercial and procurement leader with over 17 years of experience in the sugar and commodities industry.
Mohd Ismaniza has a proven track record in raw sugar procurement and risk management, including hedging strategies for commodity and currency exposures, securing reliable supply pipelines, and managing relationships with global suppliers such as Wilmar, Alvean, and Czarnikow. He also drives export growth, successfully expanding value-added products into markets including China and Indonesia, while leading compliance initiatives under certifications such as Bonsucro, Halal, and FSSC 22000.
He previously served as Head of Export Sales at MSM Malaysia Holdings Berhad, Regional General Manager at MSM Trading International DMCC in Dubai, and Head of Raw Sugar Procurement at Central Sugars Refinery, contributing to multi-million-dollar revenue growth, market expansion, and operational efficiencies. His early career as an FX Trader at Maybank Berhad provided a strong foundation in financial markets and risk management.
Known for his strategic vision, negotiation expertise, and results-driven leadership, Mohd Ismaniza consistently delivers value through innovative commercial strategies, market diversification, and sustainable business practices in highly competitive environments.
Roles and Responsibilities
He currently serves as Head of Raw Sugar Procurement at MSM Malaysia Holdings Berhad basing in Kuala Lumpur, where he oversees full P&L responsibility, strategic procurement, sales and marketing, and government relations, ensuring operational excellence across a production capacity of 1 million MT.
Directorship in Public Companies/Listed Issuers
None

Additional Information
- None of the Management Committee (MANCO) members has any family relationships with any Director and/or major shareholder of MSM Malaysia Holdings Berhad. - None of the MANCO members has any conflict of interest or potential conflict of interest, including interest in any competing business with MSM Malaysia Holdings Berhad or its subsidiaries. - None of the MANCO members holds directorships in any public companies or listed issuers. - None of the MANCO members has: - been convicted of any offence (other than traffic offences) within the past five (5) years; and - been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year of 2025. - All ages stated are as at 31 March 2026.

HEADS OF OPERATIONS



CHEAH POH LYE

Head of Operations,
MSM Prai Berhad

Appointment to the Position
January 2019
Qualification(s)
- Registered Energy Manager (REM) Type 2 (2025) - Energy Manager from Energy Commission Malaysia (2017) - Steam Engineer Grade 2 (1998) - Degree in Mechanical Engineering (1992)
Relevant Experience
Cheah Poh Lye began his career as a mechanical production engineer with Sony Electric Malaysia in 1992 and joined MSM Prai as mechanical engineer in 1993.
Since then, he has risen up the ranks within MSM Prai serving as the Mechanical Manager in 2004, General Manager of Engineering in 2009 and Acting Head of Operations in 2018, before his present appointment.
He brings with him close to three decades of experience, involvement and understanding of MSM Prai operations.
Directorship in Public Companies/Listed Issuers
None



MOHD AMIR REDZUAN

Head of Operations,
MSM Sugar Refinery (Johor) Sdn Bhd

Appointment to the Position
14 January 2023
Qualification(s)
2nd Grade Steam Engineer, Certified by Department of Occupational Safety and Health (DOSH) - Degree in Mechanical Engineering, University of Science Malaysia (USM)
Relevant Experience
Mohd Amir began his career in 2000 after graduating with honours with a Degree in Mechanical Engineering from the University of Science Malaysia, joining FGV Palm Industries as an Operations and Maintenance Engineer. He dedicated 10 years to the company before being seconded to TRT USA in 2010, where he served as Lead Project Engineer for three years.
In 2013, he returned to Malaysia to take on the role of Plant Manager of FGV Refineries in Kuantan, Pahang. His journey continued in 2021 when he joined MSM Sugar Refinery (Johor) Sdn Bhd as Head of Engineering. Demonstrating strong leadership and operational expertise, he was promoted to Head of Operations in January 2023, overseeing the entire plant's operations.
Mohd Amir is a registered 2 nd Grade Steam Engineer and is currently pursuing advancement to 1 st Grade certification. Throughout his career, he has built extensive technical expertise and a deep understanding of aligning operations with business objectives. He is recognised for his strong leadership and organisational skills, with a proven ability to anticipate challenges and proactively resolve them to ensure seamless daily operations.
Directorship in Public Companies/Listed Issuers
None



SANURI SAARI

Head of Operations,
Sungai Buloh Warehouse (SBW)

Appointment to the Position
1 December 2021
Qualification(s)
- Master of Business Administration (MBA), Northern University of Malaysia (UUM) - Diploma in Logistics Management, FMM Institute
Relevant Experience
Sanuri has over 25 years of working experience with multinational corporations such as Matsushita Electric Industrial Co. Ltd. (Panasonic), Shin-Etsu Chemical Co. Ltd., Mewah Group and third-party logistics (3PL) companies such as Linfox Logistics, and most recently with DKSH Malaysia Sdn Bhd, where he served as Senior Manager of its Distribution Centre Operations for over three years.
Throughout his career, over his career he has gained valuable knowledge and insights in logistics management, warehousing, shipping, transportation, customs compliance and related value-added services (VAS).
Directorship in Public Companies/Listed Issuers
None



AZURA OSMAN

Head of Operations,
MSM Logistics Sdn Bhd

Appointment to the Position
21 February 2021
Qualification(s)
- Master's Degree in Business Administration and Management (General), MARA University of Technology (UiTM) - Bachelor's Degree in Industrial Technology (Food Technology), University of Science Malaysia (USM)
Relevant Experience
Azura brings over 22 years of distinguished professional experience in supply chain management, including 18 years in strategic leadership roles across logistics, warehousing, distribution, planning, manufacturing, and project management within multinational environments. She has successfully operated in both operational and strategic capacities, driving transformative initiatives that significantly enhanced supply chain efficiency and resilience.
Her notable accomplishments include spearheading greenfield start-up operations, integrating complex brownfield infrastructure projects, and leading enterprise-wide system solutions and capital investment programs—each contributing to measurable improvements in performance, scalability, and cost optimisation. Azura has successfully led a landmark ASRS mega integration project, which has been recognised as a benchmark for the Southeast Asia (SEA) region—demonstrating her capability in delivering high-impact, scalable solutions.
Throughout her career, she has managed large, complex operational teams across multi-site environments, consistently driving excellence in execution. Renowned for her strategic thinking, commitment to talent development, and strong leadership, Azura has led a leadership focus group for plant optimisation and standardisation across SEA.
Currently, she serves as the Head of Group Supply Chain, where she plays a pivotal role in integrating Group Operations and Group Commercial functions to enhance enterprise-wide synergy and performance.
Directorship in Public Companies/Listed Issuers
None

Additional Information: - None of the Heads of Operations (HOO) has any family relationships with any Director and/or major shareholder of MSM Malaysia Holdings Berhad. - None of the HOO has any conflict of interest or potential conflict of interest, including interest in any competing business with MSM Malaysia Holdings or its subsidiaries. - None of the HOO holds directorships in any public companies or listed issuers.	- None of the HOO has: - been convicted of any offence (other than traffic offences) within the past 5 years; and - been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year of 2025. - All ages stated are as at 31 March 2026.
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CORPORATE GOVERNANCE OVERVIEW STATEMENT

DEAR STAKEHOLDERS,

MSM remains committed to upholding strong corporate governance as a core principle of leadership and stewardship. Through consistent standards of integrity, accountability and transparency, we aim to safeguard stakeholder confidence and support sustainable outcomes.

DATUK SYED HISHAM SYED WAZIR
Chairman,
Independent Non-Executive Director



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The framework complies with regulatory requirements and ensures consistency with best practices and guidelines.

- **Companies Act 2016**
- **MCCG 2021 published by the Securities Commission**
- **Corporate Governance Guide - 4th Edition 2021 (4th CG Guide) published by Bursa Malaysia**
- **Main Market Listing Requirements (Listing Requirements) of Bursa Malaysia Securities Berhad (Bursa Malaysia)**
- **Statement on Risk Management and Internal Control (SORMIC) Guide 2025 issued by Institute of Internal Auditors, Malaysia (IIAM)**

We are firmly committed to upholding high standards of governance and work closely with our stakeholders to promote sound corporate governance principles across the Group.

In recognising our responsibility in contributing to healthy and sustainable societies, governance considerations are embedded into the way we conduct our business. The Group consistently operates in a manner that reflects integrity, accountability and transparency, recognising that exemplary governance practices are essential in supporting sustainable value creation.

Our adherence to the Malaysian Code on Corporate Governance 2021 (MCCG 2021 or the Code) represents more than regulatory compliance. The Code provides a structured framework that guides our approach to effective governance, encompassing robust processes, internal controls, organisational culture, ethical values, stakeholder engagement and trust. Through this framework, the Board seeks to set the appropriate tone from the top and foster a strong governance culture throughout the organisation.

The Board upholds the Group’s commitment to the Code through a strong and evolving governance framework. Good governance shapes our decision-making and drives the Group towards its purpose, strategic goals and values. Guided by principles of Board Leadership, Effective Audit and Risk Management, Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders, the Board ensures the Group is well-managed and accountable at every level.

The Board affirms its commitment to applying the principles and best practices set out in the MCCG 2021. In this regard, the Group has adopted all applicable practices under the Code, except where otherwise explained in the Corporate Governance Report 2025.

This Corporate Governance Overview Statement should be read together with the Corporate Governance Report 2025, which is available on the Company’s corporate website at <https://www.msmsugar.com/investor-relations/reports>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

DEPARTED PRACTICES	SUMMARY OF EXPLANATION FOR DEPARTURE
Practice 1.4 The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.	During the financial year under review, the Chairman of the Board, Datuk Syed Hisham Syed Wazir was appointed as a member of the Nomination and Remuneration Committee (NRC) on an interim basis with effect from 2 July 2025, following the cessation of Mr. Choy Khai Choon as an NRC member on 19 June 2025. He subsequently resigned from the NRC on 12 September 2025, upon the appointment of a new NRC member, Mr. Thanneermalai A/L SP SM Somasundaram on the same date.
Practice 5.9 The board comprises at least 30% women directors.	- Paragraph 6.18 of the Board Nomination and Election Policy and Procedures (BNEPP) requires MSM to adopt Board diversity in terms of gender, age, ethnicity and cultural background. While the BNEPP does not prescribe a specific target, such as the 30% women Directors threshold, the Board remains committed to enhancing gender diversity and will continue to work towards achieving improved female representation over time. - As at 31 December 2025, the MSM Board comprised six (6) male Directors and two (2) female Directors, representing 25% female representation.
Practice 8.2 The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.	- The Board maintains its view that detailed disclosure of the remuneration of the top five (5) Senior Management on a named basis may not be in the best interest of the Group, as it could expose the Group to talent retention risks and external competition. - Nevertheless, the Group Chief Executive Officer's remuneration for the financial year ended 31 December 2025 is disclosed on page 166 in the Corporate Governance Overview Statement of this Report, in line with Paragraph 11, Part A of Appendix 9C of the Listing Requirements.
Practice 13.2 All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.	- In 2025, all Directors (except Dato' Mohd Banuri Aris who was overseas on official commitment), including the Chairmen of the Audit, Governance and Risk Committee, Nomination and Remuneration Committee and Investment and Tender Committee and Board Sustainability Committee, attended MSM 14th AGM held on 19 June 2025. - All pertinent questions raised by shareholders, proxies and corporate representatives during the 14th AGM were addressed by the Board and Senior Management. Questions submitted prior to the meeting by the Minority Shareholders Watch Group (MSWG) and Permodalan Nasional Berhad (PNB), along with the Company's responses, were also presented and shared with shareholders during the 14th AGM.
Practice 13.3 Listed companies should leverage technology to facilitate— - voting including voting in absentia; and - remote shareholders' participation at general meetings. Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.	- For the 14th AGM held on 19 June 2025, the Company conducted the meeting in a fully physical format at Menara FELDA, Kuala Lumpur. - The decision to hold a physical meeting was made by the Board after careful consideration and in alignment with the announcement issued by the Securities Commission Malaysia and Bursa Malaysia on 30 August 2024, which mandates that all public listed companies must conduct general meetings either in a physical or hybrid format effective 1 March 2025.
Practice 13.5 The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.	- For the 14th AGM held on 19 June 2025, the Company conducted the meeting in a fully physical format at Menara FELDA, Kuala Lumpur. - During the 14th AGM, the Company received a number of questions and comments from shareholders during the meeting. Additionally, the questions submitted by MSWG, PNB, and shareholders prior to the meeting, together with MSM's responses, were displayed on the live screen during the 14th AGM and made visible to all meeting participants.

Our Governance Framework is guided by the following key corporate governance principles under MCCG 2021:

A. BOARD LEADERSHIP AND EFFECTIVENESS	B. EFFECTIVE AUDIT AND RISK MANAGEMENT	C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS
The Board is responsible for promoting the long-term sustainable success of the Company and for generating value for shareholders, while having regard to the interests of other key stakeholders. This is supported by the Board's collective responsibility for providing effective leadership, setting the Company's strategic direction and establishing a framework of prudent and effective controls that enables risk to be assessed and managed. The Board operates in an increasingly complex and dynamic operating environment. In discharging its duties, the Board applies appropriate levels of oversight, judgement and professional scepticism to support informed decision making and to ensure that opportunities and risks are considered in the context of the Company's long-term objectives. Consideration of sustainability matters is embedded within the Board's approach to strategy, governance and oversight. The Board takes account of material environmental, social and governance risks and opportunities in its deliberations, recognising their relevance to the Company's resilience, performance and long-term value creation. Through this approach, the Board seeks to support sustainable growth and maintain stakeholder trust.	The Board recognises the importance of an effective Audit, Governance and Risk Committee (AGRC) in supporting the integrity of financial reporting and the effectiveness of the governance framework. The Committee plays a central role in providing independent oversight and challenge in these areas, while the Board retains collective responsibility for the Company's financial reporting and system of internal control. Drawing on the skills, experience and professional judgement of its members, the Committee undertakes rigorous review and constructive challenge of financial reporting processes, judgements and disclosures. This approach supports high standards of transparency and accountability and enhances confidence in the quality and reliability of the Company's reporting. This emphasis on effective oversight extends to the Board's approach to risk management and internal control. The Board is responsible for establishing and maintaining sound risk management and internal control systems, designed to identify, assess and manage principal risks facing the Company. Governance considerations are integrated with a performance focused approach to risk oversight, enabling both risks and opportunities to be considered in the context of the Company's strategy. Through the approval of clear policies and regular monitoring of their effectiveness, the Board seeks to strengthen the resilience of the Group, maintain an effective control environment and support long-term value creation, while preserving stakeholder trust.	Effective communication and ongoing engagement with shareholders and other key stakeholders form an integral part of the Company's governance framework. A transparent and open approach to engagement supports trust, enhances understanding and enables constructive relationships to be maintained over the long term. Such engagement provides stakeholders with visibility over the Company's purpose, strategic direction, governance arrangements and leadership, enabling shareholders to assess performance and make informed decisions. Clear and timely communication also contributes to accountability and supports confidence in the Company's stewardship. For the Board, these interactions offer valuable insight into stakeholder perspectives, priorities and expectations. This feedback is considered as part of the Board's decision making process, supporting alignment between strategy and stakeholder interests and reinforcing the Company's focus on sustainable, long-term value creation.



OUR GOVERNANCE FRAMEWORK

GOVERNING SUSTAINABILITY

The Board of Directors holds overall responsibility for the Company's governance and oversight of sustainability matters, ensuring that sustainability considerations are aligned with the Company's strategy and long-term objectives. The Board's responsibilities in this area are set out in the Board Charter, which defines its role in overseeing the development and application of sustainability policies addressing matters material to the Group's business and stakeholders.

As part of its governance responsibilities, the Board reviews and approves the Company's sustainability related disclosures, reflecting its commitment to transparency, accountability and high standards of reporting. Sustainability considerations are integrated into the Board's decision making processes, supporting effective oversight and the delivery of sustainable long-term value.

The AGRC and Board Sustainability Committee (BSC) supports the Board by providing focused oversight of sustainability policies, strategies and related disclosures. In this capacity, the Committee reviews the Sustainability Report and other disclosures that may have material financial or reputational implications for the Group, providing appropriate challenge and assurance prior to their recommendation to the Board.

DRIVING TRUST

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TOP LEVEL COMMITMENT
Board, Executive Leadership & Management

RISK MANAGEMENT
Corruption Risk Management

UNDERTAKE CONTROL MEASURES
Establishment and review of policies and procedures

SYSTEMATIC REVIEW, MONITORING AND ENFORCEMENT
Regular review on performances, efficiency and effectiveness of the anti-corruption programme and ensure the enforcement

TRAINING AND COMMUNICATION
Governance, Integrity & Risk education, awareness and periodic communication

Adequate Procedures (T.R.U.S.T.)

Maintaining high standards of ethical conduct and integrity is a fundamental component of the Group's governance framework. The Board recognises that corporate liability, particularly in relation to corruption related offences, requires a robust and clearly articulated system of controls to support compliance, accountability and effective oversight. The establishment of adequate procedures is therefore viewed not only as a regulatory requirement but also as an essential safeguard in protecting the integrity and reputation of the Group.

MSM has adopted a comprehensive approach to the implementation of adequate procedures by embedding the T.R.U.S.T. principles within its governance and compliance framework. These principles provide a structured basis for promoting ethical conduct and for identifying, assessing and mitigating corruption risks across the organisation. Through this approach, the Board seeks to foster a strong culture of integrity, reinforce transparency and support consistent governance practices throughout the Group.

Anti Bribery Policy Statement

The principles underpinning adequate procedures are formally incorporated within the Group's Anti Bribery Policy Statement, reflecting MSM's commitment to upholding high standards of ethical behaviour. The policy is aligned with Paragraphs 15.29(1) and (2) of the Bursa Malaysia Listing Requirements, the Guidelines on Adequate Procedures and Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 as amended.

The Anti Bribery Policy Statement is structured to address key areas of risk, namely corruption, fraud and abuse of power. By establishing a clear and systematic framework for the prevention, detection and management of these risks, the policy supports transparency, strengthens the Group's control environment and reinforces confidence in MSM's governance and ethical standards.

 The Anti-Bribery Policy Statement is available on the Company's corporate website at <https://www.msmsugar.com/our-company/corporate-governance>.

Whistleblowing Policy

Asset/Personal Interest Declaration (APID)

External Gift, Entertainment and Hospitality Policy (External GEH Policy)

Sponsorship and Donation Policy

Code of Business Conduct Ethics for Employees (CoBCE)

Referral Policy

Conflict of Interest Policy

KEY FOCUS IN 2025

- Implemented the MSM Integrity Pledge and Survey across MSM to systematically assess and strengthen ethical standards and integrity practices within the Group's organisational governance framework.
- Conducted strategic integrity and governance initiatives, including the Chief Integrity and Governance Officers (CIGO) Symposium that was led by MACC and co-organised with FELDA, FGV and MSM, and the CGRM Roadshows, in line with the Adequate Procedures principles to reinforce ethical business conduct and safeguard the Group's operations.
- Consistently developed and reviewed all policies and procedures for implementation in accordance with MSM's Governance of Policies and Procedures, while maintaining compliance with applicable laws, regulations, and regulatory guidelines.
- Developed the Organisational Anti-Corruption Plan (OACP) as a proactive and structured framework to identify, mitigate, and manage corruption risks, thereby strengthening the Group's integrity culture and governance practices.

FUTURE PRIORITIES FOR 2026

- Implement and institutionalise the OACP to strengthen anti-corruption measures, promote ethical conduct and ensure consistent compliance across the organisation.
- Increase awareness and deliver targeted education to deepen understanding of ethical practices and reinforce the importance of integrity across the organisation.
- Strengthening continuous communications on integrity, governance and anti-bribery to sustain staff engagement and reinforce the Group's expectations and culture of ethical conduct.

MSM'S COMMITMENT TO INTEGRITY

The Group maintains a strong commitment to the highest standards of ethical conduct and integrity across our operations. This commitment is supported by a framework of policies and procedures designed to prevent bribery, corruption and other forms of misconduct, including the implementation of the Anti-Bribery Policy Statement.

To support effective governance and oversight, MSM has established a dedicated Corporate Governance & Risk Management (CGRM) Division. This function provides structured oversight of governance, integrity, compliance and enforcement matters across the Group. Through the work of the Division, the Group seeks to promote consistent application of policies, enhance accountability and support transparency in the conduct of our business.

INTEGRITY INITIATIVES

MSM Integrity Pledge

In the second quarter of 2025, the Division reintroduced the MSM Integrity Pledge to all employees across the Group. First launched in 2021 and presented initially to Executive Committee (EXCO) members, the pledge was rolled out organisation-wide, with employees confirming their commitment via QR code and email blasts.

The pledge reinforces MSM's expectations on integrity, ethical conduct and personal accountability, supporting a culture aligned with the Group's core values and mission. Participation was mandatory across MSM and its subsidiaries, and the initiative was implemented from 1 May 2025 to 30 May 2025.

To strengthen relevance and effectiveness, the pledge was benchmarked against similar initiatives by MACC and FGV. The rollout achieved a 99% participation rate (with 1% non-participation due to hospitalisation), reflecting strong organisational commitment to ethical conduct at all levels.

To ensure consistent execution across all locations, the Division worked closely with Governance Champions from each subsidiary, whose support was instrumental in driving adoption and timely completion at their respective sites.

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MSM’S COMMITMENT TO INTEGRITY

Chief Integrity and Governance Officers (CIGO) Symposium 2025



The CIGO Symposium 2025 was held on 16 July 2025, led by MACC and co-organised with FELDA, FGV and MSM. The symposium serves as a key platform for advancing corporate integrity and governance through knowledge sharing, cross-sector collaboration and the promotion of ethical business standards.

Our participation reaffirmed our commitment to good governance, integrity and transparency in fostering public trust and supporting long-term organisational sustainability. This commitment was further demonstrated through the declaration and signing of the

Corruption-Free Pledge led by the Group CEO of FGV, followed by the official signing by representatives from MSM and FELDA, underscoring MSM’s alignment with national anti-corruption efforts and our continued focus on strengthening an integrity-driven culture across the Group.

As part of the programme, the forum titled “*Petugas Prihatin, Organisasi Berintegriti*” featured panellists from MACC and the corporate sector, sharing practical insights and strategies to advance more effective and sustainable governance.

Personal Data Protection Act (PDPA)



In alignment with the latest PDPA requirements, MSM organised a two-day training programme to strengthen awareness and understanding of PDPA-related matters. A speaker from the Jabatan Perlindungan Data Peribadi (PDP), Malaysia delivered the sessions, which were conducted in two segments: one for employees and a dedicated session tailored for EXCO members.

To strengthen governance and support ongoing compliance, MSM also established a PDPA Taskforce to deliberate on and oversee PDPA-related matters. The taskforce comprises permanent representatives from the Office of Legal Affairs (OLA), CGRM, Group Information Technology & Artificial Intelligence (GITAI), Group Human Capital (GHC), Group Procurement, Group Health, Safety, Environment and Security (HSES) and Group Commercial.

Engagement Session with MACC Education Division and FELDA's Integrity Department

In 11 August 2025, CGRM convened an engagement session with the MACC Education Division and FELDA's Integrity Department to explore potential collaboration initiatives. Discussions focused on the implementation of integrity and anti-corruption training and/or seminars for MSM employees.

The session was attended by MSM's Acting Group Chief Executive Officer (Acting Group CEO), Chief Financial Officer (CFO) and CGRM, reflecting the Group's continued commitment to nurturing a culture of integrity and good governance.

Organisational Anti-Corruption Plan

As part of MSM's ongoing commitment to strengthening our integrity and anti-corruption framework, the Group established the OACP as a structured roadmap to identify, assess and mitigate corruption risks across the organisation.

Progress in 2025 included the development of an Integrity Survey, implemented in the fourth quarter of 2025, to assess MSM's overall integrity standing and identify areas for improvement. The survey outcomes will serve as a key reference in shaping future integrity and anti-corruption initiatives across the Group.

Key components of the OACP include Corruption Risk Management (CRM) workshops and integrity assessments, which will form the foundation for MSM's broader anti-corruption strategy and targeted integrity enhancement programmes.

CGRM Roadshows

In 2025, CGRM roadshows were conducted to reinforce governance expectations and strengthen awareness of integrity, risk and compliance practices across key business units. These engagements served as a practical platform to align employees on required standards, clarify responsibilities and promote consistent application of governance practices throughout the Group.



BOARD AND BOARD COMMITTEES,
COMPOSITION AND ATTENDANCE

BOARD AND BOARD COMMITTEES, COMPOSITION AND ATTENDANCE

A. BOARD LEADERSHIP AND EFFECTIVENESS (AS AT 31 DECEMBER 2025)										B	C																									
The details of the Board's composition as at 31 December 2025 are as follows:						Board Skills Matrix																														
2 6 GENDER Male Female 4 4 DESIGNATION INED NINED		1 2 2 3 AGE 40-49 50-59 60-69 70-79 2 6 TENURE < 3 years 5-7 years		<table><tr><td>Industry Experience</td><td>Restructuring/Mergers and Acquisitions</td><td>Macroeconomy</td><td>Accounting and Financial Reporting</td><td>Legal and Regulatory</td><td>Information Technology or Digital Strategy</td><td>Public Sector or Governmental Body Experience</td></tr><tr><td>4.38/5.00</td><td>4.38/5.00</td><td>4.25/5.00</td><td>4.50/5.00</td><td>4.38/5.00</td><td>4.25/5.00</td><td>4.75/5.00</td></tr><tr><td>Consumer Products</td><td>International or Regional Business Experience</td><td>Corporate Chief Executive Officer/Managing Director</td><td>Corporate Governance, Risk Management and Internal Controls</td><td>Human Capital or Talent Management</td><td>ESG or Sustainability</td><td>1 Ineffective 2 Somewhat effective 3 Moderate effective 4 Effective 5 Very effective</td></tr><tr><td>4.25/5.00</td><td>4.25/5.00</td><td>4.38/5.00</td><td>4.63/5.00</td><td>4.38/5.00</td><td>4.38/5.00</td><td></td></tr></table>					Industry Experience	Restructuring/Mergers and Acquisitions	Macroeconomy	Accounting and Financial Reporting	Legal and Regulatory	Information Technology or Digital Strategy	Public Sector or Governmental Body Experience	4.38/5.00	4.38/5.00	4.25/5.00	4.50/5.00	4.38/5.00	4.25/5.00	4.75/5.00	Consumer Products	International or Regional Business Experience	Corporate Chief Executive Officer/Managing Director	Corporate Governance, Risk Management and Internal Controls	Human Capital or Talent Management	ESG or Sustainability	1 Ineffective 2 Somewhat effective 3 Moderate effective 4 Effective 5 Very effective	4.25/5.00	4.25/5.00	4.38/5.00	4.63/5.00	4.38/5.00	4.38/5.00	
Industry Experience	Restructuring/Mergers and Acquisitions	Macroeconomy	Accounting and Financial Reporting	Legal and Regulatory	Information Technology or Digital Strategy	Public Sector or Governmental Body Experience																														
4.38/5.00	4.38/5.00	4.25/5.00	4.50/5.00	4.38/5.00	4.25/5.00	4.75/5.00																														
Consumer Products	International or Regional Business Experience	Corporate Chief Executive Officer/Managing Director	Corporate Governance, Risk Management and Internal Controls	Human Capital or Talent Management	ESG or Sustainability	1 Ineffective 2 Somewhat effective 3 Moderate effective 4 Effective 5 Very effective																														
4.25/5.00	4.25/5.00	4.38/5.00	4.63/5.00	4.38/5.00	4.38/5.00																															
6 2 Audit, Governance and Risk Committee (AGRC) 100% CHAIRMAN TAN CHEE BENG Independent Non-Executive Director (Appointed with effect from 12 September 2025) Attendance (4/4) 100% MEMBERS THANNEERMALAI A/L SP SM SOMASUNDARAM Independent Non-Executive Director (Appointed with effect from 12 September 2025) Attendance (4/4) 100% NURUL MUHANIZA HANAFI Non-Independent Non-Executive Director (Appointed with effect from 12 September 2025) Attendance (4/4) 100% DATUK DR ABD HAPIZ ABDULLAH Independent Non-Executive Director (Resigned with effect from 12 September 2025) Attendance (5/5) 100% DATO' SRI MUTHANNA ABDULLAH Independent Non-Executive Director (Ceased with effect from 1 July 2025) Attendance (5/5) 100% CHOY KHAI CHOON Independent Non-Executive Director (Ceased with effect from 19 June 2025) Attendance (5/5) 100% The Committee is responsible for: Overseeing financial reporting Evaluating the internal and external audit process and outcome Managing risks and assessing the risk management framework and internal control environment Reviewing conflict of interest situations and Related Party Transactions (including Recurrent Related Party Transactions) Enhancing governance, ethics and integrity Undertake such other functions as may be determined by the Board from time to time Notes: The disclosed meeting attendance for AGRC is for 2025. Further information on the activities of the AGRC during 2025 can be found in the AGRC Report on pages 171 to 173.		100% Nomination and Remuneration Committee (NRC) 100% CHAIRMAN DATUK DR ABD HAPIZ ABDULLAH Independent Non-Executive Director (Re-designated as NRC Chairman with effect from 2 July 2025) Attendance (10/10) 100% MEMBERS DATO' DR SUZANA IDAYU WATI OSMAN Non-Independent Non-Executive Director Attendance (10/10) 100% THANNEERMALAI A/L SP SM SOMASUNDARAM Independent Non-Executive Director (Appointed with effect from 12 September 2025) Attendance (3/3) 100% DATUK SYED HISHAM SYED WAZIR Independent Non-Executive Director (Appointed with effect from 2 July 2025 and resigned with effect from 12 September 2025) Attendance (2/2) 100% DATO' SRI MUTHANNA ABDULLAH Independent Non-Executive Director (Ceased with effect from 1 July 2025) Attendance (5/5) 100% CHOY KHAI CHOON Independent Non-Executive Director (Ceased with effect from 19 June 2025) Attendance (5/5) 100% The Committee is responsible for: Reviewing: The composition of the Board, Board Committees and directorship of the Group The processes for nomination and election, appointment, reappointment and re-election of Directors The performance and effectiveness of the Board Succession planning The Remuneration Policy, all remuneration matters and other general remuneration matters across MSM Group Remuneration of the Non-Executive Directors, Group CEO and Top Management Notes: The disclosed meeting attendance for NRC is for 2025. Further information on the activities of the NRC during 2025 can be found in the NRC Report on pages 174 to 178.		100% Investment and Tender Committee (ITC) 100% CHAIRMAN NURUL MUHANIZA HANAFI Non-Independent Non-Executive Director (Appointed with effect from 12 September 2025) Attendance (3/3) 100% MEMBERS TAN CHEE BENG Independent Non-Executive Director (Appointed with effect from 12 September 2025) Attendance (3/3) 60% DATO' FAKHRUNNIAM OTHMAN Non-Independent Non-Executive Director Attendance (3/5) 100% DATUK DR ABD HAPIZ ABDULLAH Independent Non-Executive Director (Resigned with effect from 12 September 2025) Attendance (2/2) 100% CHOY KHAI CHOON Independent Non-Executive Director (Ceased with effect from 19 June 2025) Attendance (2/2) 100% The Committee is responsible for: Ensuring that MSM has in place optimum frameworks, mechanisms, policies and procedures for effective investment and procurement undertakings and activities Reviewing proposals related to investments, divestments and procurements of the Group in line with MSM's prevailing related policies and procedures Notes: The disclosed meeting attendance for ITC is for 2025. Further information on the activities of the ITC during 2025 can be found in the ITC Report on page 179.		100% Board Sustainability Committee (BSC) 100% CHAIRMAN THANNEERMALAI A/L SP SM SOMASUNDARAM Independent Non-Executive Director (Appointed with effect from 12 September 2025) Attendance (1/1) 100% MEMBERS TAN CHEE BENG Independent Non-Executive Director (Appointed with effect from 12 September 2025) Attendance (1/1) 100% NURUL MUHANIZA HANAFI Non-Independent Non-Executive Director Attendance (4/4) 100% DATO' SRI MUTHANNA ABDULLAH Independent Non-Executive Director (Ceased with effect from 1 July 2025) Attendance (3/3) 100% LOW CHOOI HOON Independent Non-Executive Director (Ceased with effect from 19 June 2025) Attendance (3/3) 100% The Committee is responsible for: Overseeing the formulation of the Group's Sustainability Policy, and sustainability strategies, sustainability framework, initiatives, priorities and targets Overseeing the Group Health, Safety, Environment, and Security (HSES) performance Ensuring the Group's strategic plan supports long-term value creation and includes strategies on economic, environmental and social considerations Overseeing and monitoring the strategic management of material sustainability matters, risks as well as opportunities driven by Top Management Reviewing issues relating to sustainability arising from grievances, independent audits and assurance reports 100% Advisory Council 100% The Advisory Council was established by the Board in November 2024 as an ad-hoc committee and an interim measure to assist the Board in ensuring effective monitoring in a more granular manner and successful transformation of the MSM Group. 100% The Advisory Council comprised three (3) members and convened a total of ten (10) meetings during the financial year ended 31 December 2025. The Advisory Council was subsequently disbanded on 31 December 2025. 100% Board Meeting Attendance For 2025 100% The Board Meetings conducted in 2025 were scheduled ahead and approved by the Board in November 2024. The agenda and board papers were distributed prior to Board Meetings to allow sufficient time for review to facilitate discussion at the meetings. The access by the Directors to board papers is carried out online, through a dedicated software which allows Directors to securely access, read and review the board papers at any time or location. 100% The Board Meetings attendance for financial year ended 2025 are set out below: 100% Board of Directors 100% DATUK SYED HISHAM SYED WAZIR Chairman/Independent Non-Executive Director Attendance (21/21) 100% DATO' DR SUZANA IDAYU WATI OSMAN Non-Independent Non-Executive Director Attendance (21/21) 100% NURUL MUHANIZA HANAFI Non-Independent Non-Executive Director Attendance (21/21) 100% DATO' FAKHRUNNIAM OTHMAN Non-Independent Non-Executive Director Attendance (20/21) 95% DATO' MOHD BANURI ARIS Non-Independent Non-Executive Director Attendance (18/21) 100% DATUK DR ABD HAPIZ ABDULLAH Independent Non-Executive Director Attendance (21/21) 100% TAN CHEE BENG Independent Non-Executive Director (Appointed with effect from 12 September 2025) Attendance (6/6) 100% THANNEERMALAI A/L SP SM SOMASUNDARAM Independent Non-Executive Director (Appointed with effect from 12 September 2025) Attendance (5/6) 83% CHOY KHAI CHOON Independent Non-Executive Director (Retired with effect from 19 June 2025) Attendance (7/7) 100% LOW CHOOI HOON Independent Non-Executive Director (Ceased with effect from 19 June 2025) Attendance (7/7) 100% DATO' SRI MUTHANNA ABDULLAH Independent Non-Executive Director (Resigned with effect from 1 July 2025) Attendance (6/7)																														

1

3

2

2

AGE

40-49

50-59

60-69

70-79

6

2

TENURE

< 3 years

5-7 years

OUR BOARD PROCESSES

OUR BOARD PROCESSES

A. BOARD LEADERSHIP AND EFFECTIVENESS		B	C
The Board is accountable to shareholders and wider stakeholders for the overall performance, direction and governance of the Group. It provides leadership and sets the tone from the top, with a focus on promoting the long-term sustainable success of the Company, creating value for shareholders and contributing positively to the communities in which the Group operates. This is delivered within a framework of prudent and effective controls designed to identify, assess and manage principal risks. In line with recognised best governance practices, the roles of Chairman and Group Chief Executive Officer are held by separate individuals, ensuring a clear division of responsibilities, appropriate balance of authority and effective accountability. The Group operates without Executive Directors and is guided by a rigorous Code of Business Conduct and Ethics. In accordance with this policy, employees are prohibited from holding external board appointments, supporting robust independence and integrity within the governance structure. None of the Directors has served as Chief Executive Officer of the Company within the past two years. The Group's governance framework is aligned with the principles of T.R.U.S.T., reflecting our commitment to strong and effective governance. The Board is responsible for defining the Group's purpose and strategy, ensuring that adequate resources are in place, and establishing effective systems of risk management and internal control. The Board holds Management to account and maintains oversight of performance in support of the Group's long-term objectives.		In fulfilling its responsibilities, the Board has delegated specific duties to four Board Committees, established in compliance with the Listing Requirements and the MCCG 2021. Each Committee operates within clearly defined roles and responsibilities set out in its approved Terms of Reference, which are published on the Company's corporate website. Matters outside the remit of the Board, its Committees or shareholders in general meeting are delegated to executive management in accordance with an approved schedule of authorities. The Board operates under a formal schedule of meetings and well-defined procedures. Except in exceptional circumstances, a notice period of at least five business days is provided for Board meetings. The Chairman, working closely with the Company Secretary, is responsible for setting the agenda and determining the nature and timing of information provided to Directors. Board papers are circulated in advance to allow sufficient time for review and consideration, supporting informed discussion and effective decision making. During the year under review, the Board maintained a strong focus on governance, oversight and performance monitoring. A culture of continuous improvement is integral to the Group's approach to governance and reinforces our commitment to maintaining high standards. This focus remains central to sustaining long-term success, delivering value to stakeholders and supporting positive societal outcomes.	
CHAIRMAN - Responsibles for the operation, leadership and governance of the Board - Ensures all Directors are fully informed of matters and receives precise, timely and clear information sufficient to make informed judgements - Sets Board agenda and ensures sufficient time is allocated to ensure effective debate to support sound decision making - Ensures the effectiveness of the Board - Engages in discussions with the shareholders		NON-EXECUTIVE DIRECTORS - Constructively challenge the Management - Review proposals on strategy - Scrutinise the performance of Management - Satisfy themselves on the integrity of the financial information, controls and systems of risk management - Set the levels of remuneration for Directors and Top Management	
GROUP CHIEF EXECUTIVE OFFICER - Develops the Group's strategic direction for consideration and approval by the Board - Implements the strategy agreed by the Board - Leads the Management Committee and is supported by its members - Manages the Company and the Group		COMPANY SECRETARY - Responsible for the preparation and co-ordination of all Board business, including agendas, board papers, minutes of Board meetings, communication with regulatory bodies and all statutory and other filings - Provide independent and unrestricted advice to the Directors, enhance the effective functioning of the Board and to ensure regulatory compliance	
Company Secretary The Board is supported by a qualified and experienced Company Secretary, who is responsible for advising the Board on all governance matters, ensuring adherence to Board procedures, and maintaining compliance with applicable rules and regulations. This support enables the Board to discharge its duties and responsibilities effectively. Puan Akmal Nazaruddin was appointed as the Company Secretary of the MSM Group on 1 August 2025, succeeding Puan Azni Ariffin, who resigned on the same date. She brings with her more than 25 years of experience in company secretarial practice. She holds a Diploma in Accountancy and the MAICSA Professional Diploma in Corporate Administration, and is a licensed company secretary registered with the Companies Commission of Malaysia. Further details regarding the roles and responsibilities of the Company Secretary are outlined in the Corporate Governance Report 2025 and the Board Charter, accessible on the Company's corporate website at https://www.msmsugar.com/our-company/corporate-governance.		Board Activities in 2025 Below are among the key matters considered by the Board during the twenty-one (21) meetings held in 2025: Strategy, Risk and Sustainability Reviewed and approved: - MSM Group Corporate Scorecard 2024 - Production of MSM Malaysia Holdings Berhad Sustainability Report 2024 - MSM's Strategy on Greenhouse Gases (GHG) Reduction Plan Governance Reviewed and approved: - Revision of IT Corporate Policy - Revision of IT User Policy - Revision of IT Security Policy - Revision of External Auditor Policy - Revision of the Group Internal Audit Charter - Corporate Governance Overview Statement for inclusion in MSM Malaysia Holdings Berhad Annual Integrated Report 2024 - Corporate Governance Report for financial year ended 31 December 2024 - Statement on Risk Management and Internal Control for inclusion in MSM Malaysia Holdings Berhad Annual Integrated Report 2024 - Report on Audit, Governance and Risk Committee for inclusion in Annual Integrated Report 2024 - Report on Nomination and Remuneration Committee for inclusion in Annual Integrated Report 2024 - Report on Investment and Tender Committee for inclusion in Annual Integrated Report 2024 - Production of MSM Malaysia Holdings Berhad Annual Integrated Report 2024 Succession Planning, Appointments, Remuneration and Others Reviewed and approved: - Performance Assessment of the Audit, Governance and Risk Committee and its Members by the Nomination and Remuneration Committee - FY2024 Performance Appraisal Rating of Group Chief Executive Officer and Group Chief Operating Officer - Appointment of Directors in MSM Malaysia Holdings Berhad - Appointment of the Group Chief Executive Officer of MSM Malaysia Holdings Berhad - Appointment of the Chief Financial Officer of MSM Malaysia Holdings Berhad - Board Effectiveness Assessment for Financial Year 2024 - Board Annual Assessment on the Independence of the Independent Directors Financial Reviewed and approved: - Quarterly Financial Results - Audited Financial Statements for the financial year ended 31 December 2024 together with the Directors' and Auditors' Reports	

OUR BOARD PROCESSES

OUR BOARD PROCESSES

A. BOARD LEADERSHIP AND EFFECTIVENESS		B	C
Diversity	Continuing Development and Training		
A diverse Board strengthens the quality of discussion, judgement and decision making, supporting effective oversight and long-term value creation. A broad range of perspectives, skills and experiences enhances the Board’s ability to navigate complexity, respond to emerging challenges and identify opportunities that support sustainable growth. Appointments to the Board are made on the basis of merit, alongside a balanced consideration of attributes that contribute to an effective Board. In reviewing Board composition, factors such as background, experience, skills, integrity, diversity and the capacity to devote sufficient time are taken into account. This holistic approach supports a robust governance structure and alignment with the long-term interests of the Company and its stakeholders. The Group has adopted a Diversity, Equity and Inclusion Policy, developed with reference to the MCCG 2021 and the United Nations Sustainable Development Goals. As at 31 December 2025, the Board comprises two (2) women Directors, with two (2) women represented in Senior Management positions.	Maintaining an appropriate balance of skills, knowledge and experience across the Board is supported by a structured programme of continuing development and training. Directors receive regular briefings on business developments, governance matters, investor expectations and relevant legal and regulatory changes. Updates on accounting standards, remuneration developments, market conditions and disclosure requirements are provided to the AGRC and the NRC by Management and external advisers. Directors may request training on specific topics and, where appropriate, attend external programmes to enhance their knowledge. The Board has undertaken an assessment of the training needs of each Director to ensure that the development programme is aligned with the requirements of the Board, the individual Directors, and the Company’s business and strategic direction. Directors have access to the advice and support of the Company Secretary and may, where necessary, obtain independent professional advice at the Company’s expense to support the effective discharge of their duties.	List of Training & Organiser	
		Tan Chee Beng (cont'd)	
		9 July 2025 AOB Findings - Going Concern (Grant Thornton Malaysia PLT)	27 – 28 October 2025 Mandatory Accreditation Programme (Institute of Corporate Directors Malaysia)
		10 July 2025 Quality Monitoring Findings, ISA 600 (Revised) - Group Audit, MFRS 18 – Presentation (Grant Thornton Malaysia PLT)	29 October 2025 Tax Seminar on Budget 2026 (Grant Thornton Malaysia PLT)
		24 July 2025 2025 IFRS Masterclass 3: IFRS 8 and IAS 29 (Grant Thornton International Limited)	13 November 2025 Annual Update - An Analysis of New and Amended Standards for 2025 and Beyond (Grant Thornton International Limited)
		Thanneermalai A/L SP SM Somasundaram	
		18 September 2025 Transfer Pricing Conference 2025 (Malaysian Institute of Accountants)	4 November 2025 Wealth Management in Labuan IBFC: Private Funds & Foundations (Labuan International Business and Financial Centre, Malaysia)
		25 September 2025 TTCS 1-Day Virtual Seminar on Transfer Pricing – Intra-Group Financing (Thannees Tax Consulting Services Sdn Bhd - Trainer)	13 November 2025 Seminar Belanjawan 2025 (Persatuan Akauntan Percukaian Malaysia)
		2 October 2025 Driving Sustainable Organisations: Empowering Boards for Lasting Impact (Institute of Corporate Directors Malaysia)	19 – 20 November 2025 YYC Tax Summit 2025 (YYC Holdings Sdn Bhd - Panelist)
		13 October 2025 Budget 2026 Tax Measures: Key Announcements and Impact to Taxpayers Explained (Thannees Tax Consulting Services Sdn Bhd)	2 December 2025 Budget Seminar 2026 (Malaysian Institute of Accountants and Malaysian Association of Tax Accountants - Moderator)
		21 October 2025 2026 Budget Seminar (Chartered Tax Institute of Malaysia)	18 December 2025 IRBM TaxXcel 2025 - Siri 4 (Lembaga Hasil Dalam Negeri Malaysia - Panelist)
		Dato’ Dr Suzana Idayu Wati Osman	
		9 January 2025 Forum Ekonomi Malaysia 2025 (Kementerian Ekonomi)	27 – 28 May 2025 Persidangan Juruaudit ASEAN 2025 (Jabatan Audit Negara)
		4 February 2025 Plantation Division Managers’ Seminar 2025 (FGV Plantation Division)	17 – 18 June 2025 The International Social Wellbeing Conference 2025 (KWSP Malaysia)
		25 – 26 February 2025 36 th Palm & Lauric Oils Price Outlook Conference & Exhibition (Bursa Malaysia)	1 July 2025 Invest ASEAN-Malaysia Conference 2025 (Bursa Malaysia and Maybank Berhad)
		8 – 9 April 2025 ASEAN Investment Conference 2025 (Securities Commission Malaysia)	14 July 2025 Kurus Induk 'Certified Carbon Trading Practitioner' (Pusat Pensijilan Industri dan Pembangunan Profesional (CICPD))

OUR BOARD PROCESSES

OUR BOARD PROCESSES

A. BOARD LEADERSHIP AND EFFECTIVENESS		B	C
List of Training & Organiser		List of Training & Organiser	
Dato' Dr Suzana Idayu Wati Osman (cont'd)		Dato' Mohd Banuri Aris	
15 July 2025 Malaysia's International Conference on Governance and Integrity 2025 (Bahagian Hal Ehwal Undang-Undang, Jabatan Perdana Menteri)	28 July 2025 Program Perolehan Bebas Rasuah FELDA (Suruhanjaya Pencegahan Rasuah Malaysia)	24 January 2025 Bengkel Semakan Semula Pekeliling-Pekeliling Ketua Pengarah Tanah dan Galian Persekutuan Siri 1 Tahun 2025 (Bahagian Dasar & Konsultasi, Jabatan Ketua Pengarah Tanah dan Galian)	21 – 23 August 2025 Bengkel Pelarasan Akta Pembangunan Tanah 1956 (Akta 474) & Akta Tanah (Kawasan Penempatan Berkelompok) 1960 (Akta 530) (FELDA)
16 July 2025 Chief Integrity and Governance Unit (CIGO) Symposium 2025 (Malaysian Anti-Corruption Commission)	6 November 2025 ASEAN Capital Markets Forum (ACMF) International Conference 2025 (Securities Commission Malaysia)	26 – 27 February 2025 Mandatory Accreditation Programme (Institute of Corporate Directors)	29 – 31 October 2025 Bengkel Penetapan Petunjuk Prestasi Utama (KPI) Korporat Felda Tahun 2026 (FELDA)
23 – 24 July 2025 Forum: ASEAN Real Estate Conference (AREC) 2025 (Kementerian Perumahan dan Kerajaan Tempatan)	18 – 20 November 2025 PIPOC 2025 : International Palm Oil Congress and Exhibition 2025 (Malaysian Palm Oil Board)	21 April 2025 Retreat Blueprint Strategik Kumpulan FELDA (FELDA)	26 - 27 November 2025 Mandatory Accreditation Programme Part II: Leading for Impact (Institute of Corporate Directors Malaysia)
Nurul Muhaniza Hanafi		Dato' Fakhrunniam Othman	
4 - 5 December 2024 Mandatory Accreditation Programme Part II: Leading for Impact (Institute of Corporate Directors Malaysia)	26 – 27 May 2025 MIA International Accountants Conference 2025: Collaborative Leadership for a Sustainable Future (Malaysian Institute of Accountants)	14 January 2025 Palm Oil Economic Review & Outlook Seminar 2025 (Malaysia Palm Oil Board)	14 – 16 July 2025 17 th National Seminar 2025 – From Plantation to Preservation: The Role of Oil Palm in Sustainable Vegetable Oil Production (The Incorporated Society of Planters)
15 January 2025 Launch of Corporate Directors Survey (PricewaterhouseCoopers Malaysia)	24 June 2025 Regulatory Framework of Islamic Finance & Commodity Murabahah (Tawarruq) (Selangor Bar)	4 February 2025 Plantation Division Managers' Seminar 2025 (FGV Plantation Division)	2 – 3 September 2025 Jemputan Bengkel Manual Operasi Pusat Mengumpul Sawit (PMS) (FELDA)
4 February 2025 Plantation Division Managers' Seminar 2025 (FGV Plantation Division)	25 June 2025 e-Invoicing The Way Ahead (Selangor Bar Committee)	25 – 26 February 2025 36 th Palm & Lauric Oils Price Outlook Conference & Exhibition (Bursa Malaysia)	4 – 5 November 2025 RSPO Roundtable Conference (Roundtable on Sustainable Palm Oil (RSPO))
25 – 26 February 2025 36th Palm & Lauric Oils Price Outlook Conference & Exhibition (Bursa Malaysia)	14 November 2025 Carbon Conference 2025 (Peterson Solutions (Malaysia))	10 – 11 July 2025 Logistics & Support Division Conference 2025: Forge Ahead (FGV Logistics & Support Division)	
30 April 2025 Real Property Gains Tax and The New E-CKHT Portal (Selangor Bar)	18 – 20 November 2025 PIPOC 2025 : International Palm Oil Congress and Exhibition 2025 (Malaysian Palm Oil Board)		
7 May 2025 e-Invoicing for Law Firms' Seminar (Selangor Bar)	24 November 2025 Selangor Bar Conveyancing Practitioners Forum and Hi-Tea 2025 (Selangor Bar Committee)		

OUR BOARD PROCESSES

OUR BOARD PROCESSES

A. BOARD LEADERSHIP AND EFFECTIVENESS

B

C

Board Effectiveness Assessment

A formal evaluation of the performance of the Board, its Committees and individual Directors is undertaken annually to assess effectiveness and support continuous improvement. The Board Effectiveness Assessment for the year 2025 was conducted internally and facilitated by the Company Secretary through a structured questionnaire circulated to all Directors.

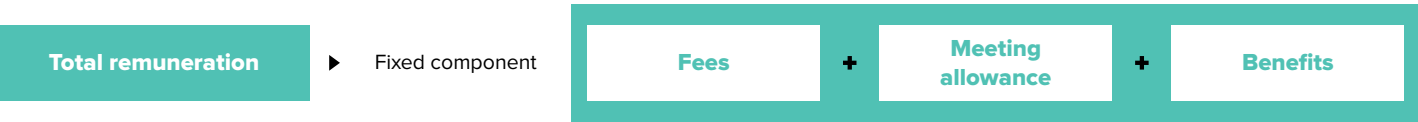
Responses were evaluated and the results reviewed by the Nomination and Remuneration Committee. A summary of the findings, together with identified areas for development, was subsequently presented to the Board for consideration and endorsement. Further details of the Board Effectiveness Assessment 2025 are set out in the NRC Report on pages 177 and 178.

Summary of the Non-Executive Directors' Remuneration

The Board seeks to establish remuneration arrangements that enable the Company to attract and retain Non-Executive Directors with the appropriate skills, experience and judgement to provide effective oversight of the Group. Remuneration levels are set with regard to the scope and complexity of the Group's activities, the responsibilities of the role and the need to support long-term sustainable value creation.

To support this approach, a Non-Executive Directors' Remuneration Policy has been established. The policy provides a transparent and structured framework for determining Directors' remuneration and supports alignment with the Group's governance principles, regulatory requirements and stakeholder expectations.

The remuneration structure for the Non-Executive Directors is illustrated below:



Details of the Non-Executive Directors' remuneration as members of the Board and Board Committees in the form of fees as approved by the shareholders at the 14th Annual General Meeting held on 19 June 2025 are as follows:

Fees

Board/Board Committees	Fees per Annum (RM)	
	Chairman	Member
Board of Directors	315,000 (RM26,250/month)	120,000 (RM10,000/month)
Board Committees		
- Audit, Governance and Risk Committee	64,000	32,000
- Nomination and Remuneration Committee	35,000	20,000
- Investment and Tender Committee	32,000	16,000
- Board Sustainability Committee	32,000	16,000
- Other Board Committee	32,000	16,000

Meeting Allowance and Benefits

Meeting Allowance

Board and Board Committee meeting: RM2,000 per attendance

Benefits

- Company car (Chairman only):
 - one (1) Company car of up to 2,000cc with a maximum of RM180,000 per annum for utility of the car (car maintenance, petrol, etc. which is not convertible to cash)
- Driver allowance (Chairman only):
 - RM30,000 per annum
- Medical insurance coverage, group personal accident insurance coverage, travelling expenses and other claimable benefits

Directors' remuneration is structured to be competitive and proportionate, supporting the attraction and retention of individuals with the skills, experience and judgement required to lead and oversee the Group effectively. Remuneration levels reflect the scope and complexity of the Company's activities, as well as the responsibilities associated with Board and Committee roles.

To provide clarity and consistency, the Board has established the Non-Executive Directors' Remuneration Policy, which sets out the principles and framework governing Directors' remuneration. The policy supports transparency and fairness, while aligning remuneration arrangements with the Group's governance standards, strategic priorities and long-term objectives.

Summary of Group Chief Executive Officer Remuneration

The remuneration of the Group Chief Executive Officer is determined through a formal and transparent process, based on recommendations from the Nomination and Remuneration Committee and subject to approval by the Board. The structure of the remuneration package is designed to reflect individual performance, support the delivery of the Company's strategic objectives and remain competitive within the relevant market.

In setting remuneration, due regard is given to prevailing market practices, including benchmarks for benefits in kind, annual adjustments and performance related incentives. Performance outcomes are assessed against both financial and non-financial measures to promote a balanced approach to remuneration and to support long-term value creation.

The remuneration framework extends beyond short-term financial performance and incorporates broader considerations aligned with the Company's sustainable growth objectives. In line with the Company's governance practices, the Group Chief Executive Officer does not receive annual fees or meeting allowances for attendance at Board or Board Committee meetings, including those of the Company's subsidiaries.



OUR BOARD PROCESSES

A. BOARD LEADERSHIP AND EFFECTIVENESS							B	C
DETAILS OF THE DIRECTORS' AND GROUP CEO'S REMUNERATION PAID IN 2025								
	Directors' Annual Fees			Meeting Allowance (RM)	Benefits ⁽¹⁾ (RM)	Total (RM)		
	MSM Board (RM)	MSM Board Committees (RM)	MSM Subsidiaries (RM)					
Non-Executive Directors								
Datuk Syed Hisham Syed Wazir	315,000.00	3,946.25	-	46,000.00	51,264.79	416,211.04		
Dato' Dr Suzana Idayu Wati Osman	120,000.00	20,000.00	-	62,000.00	3,561.41	205,561.41		
Nurul Muhaniza Hanafi	120,000.00	34,474.54	-	74,000.00	3,561.41	232,035.95		
Dato' Fakhrunniam Othman	120,000.00*	16,000.00*	-	64,000.00*	-	200,000.00*		
Dato' Mohd Banuri Aris	120,000.00	-	-	36,000.00	3,561.41	159,561.41		
Datuk Dr Abd Hapiz Abdullah	120,000.00	72,259.69	-	96,000.00	3,561.41	291,821.10		
Tan Chee Beng	36,333.33	29,066.67	-	28,000.00	-	93,400.00		
(Appointed with effect from 12 September 2025)								
Thanneermalai A/L SP SM Somasundaram	36,333.33	25,433.33	-	26,000.00	-	87,766.66		
(Appointed with effect from 12 September 2025)								
Dato' Sri Muthanna Abdullah	60,000.00	40,801.00	-	38,000.00	-	138,801.00		
(Resigned with effect from 1 July 2025)								
Choy Khai Choon	56,333.33	46,575.34	-	48,000.00	1,658.74	152,567.41		
(Retired with effect from 19 June 2025)								
Low Chooi Hoon	56,333.33	13,063.01	-	20,000.00	5,912.74	95,309.08		
(Ceased with effect from 19 June 2025)								
TOTAL	1,160,333.32	301,619.83	-	538,000.00	73,081.90	2,073,035.05		

Figures exclude SST

* Directors' Remuneration paid to FGV Holdings Berhad

⁽¹⁾ Benefits comprised of:

a. benefits-in-kind (Non-Executive Chairman only): (i) driver allowance (ii) company car with utility of the car e.g. petrol

b. other benefits (all Non-Executive Directors including Non-Executive Chairman): (i) medical insurance coverage, (ii) group personal accident insurance coverage, (iii) travelling and (iv) other claimable benefits

	Company					Total (RM)
	Salary (RM)	Allowance (RM)	Token of Appreciation (RM)	Benefits (RM)	Other Emoluments (RM)	
Group Chief Executive Officer						
Syed Feizal Syed Mohammad	446,340.00	56,468.65	22,317.00	8,326.64	89,018.90	622,471.19

The remuneration received by the Group CEO for the period from 1 January 2025 until his resignation effective from 3 July 2025, as disclosed above, was from the Company. No remuneration was received from the Group during his tenure as Group CEO for the financial year ended 31 December 2025.

OUR BOARD PROCESSES

A	B. EFFECTIVE AUDIT AND RISK MANAGEMENT	C
Audit, Governance and Risk Committee To support effective oversight of financial reporting, audit processes and related party transactions, the Board has delegated specific responsibilities to the Audit, Governance and Risk Committee. The Committee comprises members with appropriate financial literacy, skills and business experience to discharge its duties effectively. The Committee has unrestricted access to the internal and external auditors, both of whom report directly and functionally to the Committee. Clear and robust arrangements are in place to support an open and professional relationship with the external auditor. The Committee has received confirmation that the external auditor remains independent throughout the audit process, in accordance with applicable professional and regulatory requirements, thereby safeguarding the integrity and objectivity of the audit. The Committee oversees the adequacy and effectiveness of the internal audit function and its independence. This includes reviewing the scope of work, authority, resources, competency and budget of the internal audit function, approving the annual internal audit plan and considering the findings and outcomes of audit reviews and investigations. The Committee monitors the timely implementation of agreed recommendations and reports material matters to the Board. The effectiveness of the internal audit function is assessed, including compliance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing, together with the performance appraisal of the Chief Internal Auditor.  Further information on the activities of the Committee during the financial year ended 31 December 2025 is set out in the Audit, Governance and Risk Committee Report on page 172. Oversight of Financial Reporting The Board is committed to providing shareholders with a clear, balanced and comprehensive assessment of the Group's financial performance, position and future prospects. This is achieved through regular and transparent reporting, including the audited financial statements, quarterly financial results announcements, the Chairman's Address and the Management Discussion and Analysis. Corporate announcements are made on a timely basis to keep shareholders informed of material developments affecting the Company, in compliance with the Listing Requirements. The Board also oversees compliance with applicable financial reporting standards, the Companies Act 2016 and other relevant laws and regulations, supporting high standards of transparency and accountability.		Corporate Governance Matters High standards of corporate governance, transparency and accountability underpin the Group's approach to business conduct. These principles are embedded within the governance framework and support the delivery of the Group's strategy. The Board remains focused on maintaining sound governance practices that support sustainable growth and long-term value creation for shareholders. Ethics and Integrity Maintaining high standards of ethics and integrity forms an integral part of the Group's governance framework. A range of initiatives has been implemented to promote ethical conduct and reinforce accountability across the organisation. These initiatives include corruption risk management reviews, governance, integrity and risk communications, the establishment and enhancement of policies, vendor integrity attestations, regular governance and risk updates to Management and the Board, and targeted integrity programmes and engagement activities undertaken during the year. Collectively, these initiatives support a strong culture of integrity throughout the Group. Risk Management and Internal Controls The Board remains focused on maintaining and continuously enhancing the effectiveness of the Group's risk management and internal control systems, with the support of the Audit, Governance and Risk Committee. The control environment comprises key elements including Board and Committee oversight, organisational structure, codes of conduct, business continuity management, internal audit, legal and secretarial functions, delegation of authority frameworks, policies and procedures, and systems for financial, operational and information security. The Group operates within a defined organisational structure with clear responsibilities, authority levels and reporting lines to the Board. This structure supports the identification, assessment and management of risks and enables effective planning, execution, monitoring and achievement of the Group's objectives, with internal controls embedded across operations.  Further details of the Group's risk management and internal control framework are set out in the Statement on Risk Management and Internal Control on pages 181 and 182.

COMMUNICATIONS WITH STAKEHOLDERS

COMMUNICATIONS WITH STAKEHOLDERS

A B C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS				
Effective engagement with stakeholders forms an essential component of the Group’s governance framework and supports the long-term success and reputation of MSM. A structured and transparent approach to engagement enables the Company to build trust, strengthen relationships and promote constructive dialogue with shareholders and wider stakeholder groups. Through ongoing engagement and collaboration, the Group seeks to support sustainable development, manage its environmental impact responsibly, contribute positively to society and maintain high standards of governance. Clear and timely communication is maintained through established engagement channels, providing stakeholders with relevant information and opportunities for dialogue.  Further details of the Group’s stakeholder engagement programmes and activities are set out on pages 34 to 36 of this Report.	ENGAGEMENT WITH STAKEHOLDERS The Company maintains a strong focus on clear, consistent and transparent communication with its stakeholders. Principles of transparency, accountability and fairness underpin the dissemination of information, supporting informed understanding of the Group’s performance, operations and future prospects. The Investor Relations function supports effective engagement by facilitating structured communication between the Board, Management and stakeholders through a range of established channels. These include the Annual Integrated Report, Sustainability Report and other shareholder communications published on the Company’s corporate website, regulatory disclosures and announcements made to Bursa Malaysia, investor engagement activities such as analyst briefings and the Annual General Meeting. The Company’s corporate website serves as a central platform for the timely dissemination of corporate information and the receipt of stakeholder feedback. The integrated Investor Relations portal provides accessible information on corporate announcements, financial results, presentations, share price performance and annual reports, supporting informed decision making by stakeholders. To strengthen engagement with the investment community, the Investor Relations function undertakes a range of initiatives, including presentations and briefing sessions, both group and one to one, with analysts, fund managers, institutional investors, strategic shareholders and minority shareholders at the Annual General Meeting. Additional outreach is conducted through participation in non deal roadshows organised by research houses, as well as hosting plant visits at the Group’s refining facilities in Johor and Prai to provide operational insight. Media engagement is coordinated through centralised communication channels to support consistency and transparency in external communications.			
	CONDUCT OF GENERAL MEETINGS Annual General Meeting On 19 June 2025, MSM convened its 14th AGM through a fully physical format at Menara FELDA in Kuala Lumpur serving as the meeting venue. The meeting was conducted in alignment with the announcement issued by the Securities Commission Malaysia and Bursa Malaysia on 30 August 2024, which mandated that all public listed companies must hold general meetings either in a physical or hybrid format starting 1 March 2025. The Board of Directors and Top Management, including the Group Chief Executive Officer (Group CEO), Group Chief Operating Officer (Group COO) and Chief Financial Officer (CFO) were physically present at the meeting venue. The external auditors of the Company also attended the 14th AGM in person. The Chairman of the Board presided over the proceedings, and shareholders were able to actively participate and raising questions or seeking clarifications on business matters directly from the Board and Top Management. Meaningful Engagement with Stakeholders At the AGM of MSM, the Chairman fully supports meaningful engagement between the Board of Directors, Senior Management, and shareholders. During the 14th AGM, the proceedings included a Management presentation by the Group CEO covering the Company’s financial and non-financial highlights including its sales performance, strategic initiatives and progress, as well as all other relevant matters throughout 2024. At the 14th AGM, questions from shareholders were answered and documented in the minutes of the meeting. Answers to questions that were not addressed during the meeting due to time constraints have been uploaded on MSM’s corporate website for shareholders’ reference. To further promote meaningful engagement with its shareholders, the Company has provided a dedicated IR portal on the MSM corporate website where shareholders can continue to pose any queries outside the AGM and share feedback with the Company.			
CONDUCT OF GENERAL MEETINGS Notice of Annual General Meeting The Annual General Meeting (AGM) provides a vital platform for direct engagement between shareholders and the Board, supported by Management. It enables the Company to present updates on its business progress while addressing questions and concerns raised by shareholders, proxies and corporate representatives. In 2025, the Notice of the 14th AGM was issued 49 days prior to the meeting, exceeding statutory requirements under Section 316(2)(a) of the Companies Act 2016, Paragraph 7.15 of the Listing Requirements and the timeline prescribed in the Company’s Constitution. This provided ample time for shareholders to review the meeting details and the proposed resolutions. The notice of the upcoming AGM will be issued in accordance with the mandatory requirements under the Listing Requirements, the Companies Act 2016 and the Company’s Constitution. The Notice will include explanatory notes for all proposed resolutions to provide clarity on their purpose and implications. It will also be published in a locally circulated newspaper and made available on MSM’s corporate website at www.msmsugar.com.				
Statement by the Board The Board acknowledges the importance of sound Corporate Governance practices and believes that this improves long-term success and performance. We are committed to set the appropriate tone at Board-level and achieving high standards of Corporate Governance practices, values and business conduct across MSM Group. The Board is satisfied that MSM has complied with the provisions and applications of the MCCG 2021 principles for the FY2025 except for Practices 1.4, 5.9, 8.2, 13.2, 13.3 and 13.5, as summarised on page 150 of this Corporate Governance Overview Statement. Detailed explanations on the application and departure of the practices including the related measures and time frame to apply the departed practice are provided in the Corporate Governance Report 2025 which is accessible on our corporate website at https://www.msmsugar.com/investor-relations/reports. This Corporate Governance Overview Statement was made in accordance with a resolution of the Board of Directors approved on 26 March 2026. On behalf of the Board DATUK SYED HISHAM SYED WAZIR Chairman				

COMMUNICATIONS WITH STAKEHOLDERS

A B C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

FINANCIAL CALENDAR

Announcement on unaudited consolidated results

2025

• 4th quarter ended 31 December 2024: 24 February 2025

• 1st quarter ended 31 March 2025: 22 May 2025

• 2nd quarter ended 30 June 2025: 25 August 2025

• 3rd quarter ended 30 September 2025: 28 November 2025

2026

• 4th quarter ended 31 December 2025: 26 February 2026

Annual General Meeting

14th Annual General Meeting

• Notice of Meeting: 30 April 2025

• Issuance of Annual Integrated Report 2024: 30 April 2025

• Date of Meeting: 19 June 2025

Dividends

Dividend Policy

The Group is guided by the MSM Dividend Policy with a payout ratio of at least 50% Profit after Tax and Minority Interest (PATAMI) while considering certain factors. However, any distribution will depend on the Group’s earnings and approval by the Board.

2024

• No dividend was declared and paid for the financial year ended 31 December 2024

2025

• No dividend was declared and paid for the financial year ended 31 December 2025

AUDIT, GOVERNANCE AND RISK COMMITTEE REPORT

The Audit, Governance and Risk Committee (AGRC or the Committee) supports the Board in the discharge of its responsibilities across financial reporting, governance and risk oversight. The Committee provides focused oversight of the integrity of the financial reporting process, the effectiveness of internal and external audit, and the adequacy of the Group’s systems of risk management and internal control. In addition, the Committee provides assurance in relation to governance, ethics and compliance matters.

As part of its remit, the Committee reviews potential conflicts of interest and related party transactions, including recurrent related party transactions, to support transparency and accountability. The Committee also evaluates principal risks identified by Management and oversees the implementation and effectiveness of risk management arrangements across the Group. Through this breadth of responsibility, the Committee plays a key role within the Group’s governance framework and supports the protection of stakeholder interests.

Composition of the Committee

The Committee is chaired by Tan Chee Beng, an Independent Director with extensive relevant experience and professional standing. He holds professional memberships as a Chartered Accountant of Malaysia with the Malaysian Institute of Accountants (MIA), a Certified Public Accountant of Malaysia with the Malaysian Institute of Certified Public Accountants (MICPA), a Certified Public Accountant of Cambodia with the Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA), and an ASEAN Chartered Professional Accountant and an ASEAN Chartered Professional Accountant Coordinating Committee (ACPACC). Tan Chee Beng meets the requisite qualifications outlined in Paragraph 15.09(1)(c)(i) of the Listing Requirements. His qualifications and experience contribute to the effective leadership of the Committee and support its ability to undertake rigorous oversight and challenge.

The current membership of the AGRC, along with their meeting attendance records for 2025, are detailed below:

Members	Type of Membership	Meeting Attendance	
Tan Chee Beng	Chairman/Independent Non-Executive Director	100%	4/4
Thanneermalai A/L SP SM Somasundaram	Independent Non-Executive Director	100%	4/4
Nurul Muhaniza Hanafi	Non-Independent Non-Executive Director	100%	4/4
Datuk Dr Abd Hapiz Abdullah (Resigned with effect from 12 September 2025)	Independent Non-Executive Director	100%	5/5
Dato' Sri Muthanna Abdullah (Ceased with effect from 1 July 2025)	Independent Non-Executive Director	100%	5/5
Choy Khai Choon (Ceased with effect from 19 June 2025)	Independent Non-Executive Director	100%	5/5

The profiles of the AGRC members are detailed in the Board of Directors’ Profiles section on pages 139 to 141.

Meetings in 2025

Total Meetings
9

13 January
22 January

14 February

14 March

14 May

8 October
23 October

21 November

18 December

Secretaries of the Committee

– Company Secretary –

– Chief Internal Auditor –

During the financial year, the AGRC convened a total of nine (9) meetings. The Company Secretaries acted as Secretary to the Committee and were responsible for coordinating meetings and maintaining proper records. By invitation, the Group CEO, Group COO, CFO and relevant members of Management attended meetings to present proposals and provide clarification on matters under consideration.

Responsibilities and Duties of the Committee

The responsibilities and duties of the AGRC are in line with its Terms of Reference (TOR) to support objective judgement, independence of oversight and effective challenge in the discharge of the Committee’s responsibilities. A quorum for the AGRC requires the presence of at least two (2) members and meetings are conducted based on papers prepared in advance to support informed discussion and decision making.

Proceedings of each meeting are recorded in formal minutes, which are circulated to members for review and confirmation. The Committee reports regularly to the Board on its activities, findings and recommendations, with updates provided on a quarterly basis to support transparency and effective Board oversight.

 Further details on the Committee’s roles and responsibilities are set out in its TOR, which are available on the Company’s corporate website at <https://www.msmsugar.com/our-company/corporate-governance>.

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AUDIT, GOVERNANCE AND RISK COMMITTEE REPORT

AUDIT, GOVERNANCE AND RISK COMMITTEE REPORT

Summary of Activities	
Financial Reporting and Performance Oversight - Reviewed and recommended: - Quarterly Financial Results - Position on Financial Covenants - Group's Consolidated Cashflow Projections - Capital Expenditure (CAPEX) - Recurring Related Party Transactions (RRPT) - Report on Recoverability of Trade Receivables and Past Due Accounts - Disposal and write off of assets and inventories - Hedging of gas prices with Brent Crude Oil options - Non-audit fees - Finished Goods Variance - Status updates on MSM Prai Berhad and MSM Sugar Refinery (Johor) Sdn Bhd Raw Sugar Management - Audited Financial Statements for financial year ended 31 December 2024 - Reviewed Quarterly AGRC Report by Messrs PricewaterhouseCoopers PLT (PwC)	Risk Management Reviewed the quarterly progress Report on Group Risk Register Report and Business Continuity Management (BCM)
Internal Audit Process - Reviewed and approved MSM Group Internal Audit Plan for the year 2025 - Reviewed and approved MSM Group Internal Audit Plan for the year 2026 - Reviewed and recommended revision of the Group Internal Audit Charter - Reviewed Group Internal Audit Reports issued by Group Internal Audit - Reviewed the External Quality Assessment Review report by the Institute of Internal Auditors Malaysia for Group Internal Audit Division - Reviewed Group Internal Audit Strategy - Reviewed Group Internal Audit Declaration of Ethics, Professionalism and Objectivity - Group Internal Audit private sessions with AGRC.	External Audit Process - Private Discussion between AGRC and PwC - Reviewed and recommended the Reappointment of PwC as the External Auditor for MSM Group for FY2025 - Reviewed PwC's Audit Plan and scope of work for the statutory audit of the Financial Statements for the financial year ended 31 December 2025 and declaration of PwC's independence as external auditor - Reviewed and recommended the Audit Fees for MSM Malaysia Holdings Berhad and its Group of Companies for FY2024 - Reviewed PwC Malaysia Transparency Report 2024
Related Party Transactions - Reviewed and recommended: - Reviewed Group Internal Audit Report on Recurrent Related Party Transactions Review - Circular to Shareholders in relation to: (i) Proposed Renewal of Shareholders' Mandate for the Existing Recurrent Related Party Transactions of Revenue or Trading Nature for MSM Malaysia Holdings Berhad and its Group of Companies (MSM Holdings Group); and (ii) Proposed Shareholders' Mandate for the New Recurrent Related Party Transactions of Revenue and Trading Nature for MSM Holdings Group	Governance and Integrity Reviewed and recommended: - Corporate Governance Report for financial year ended 31 December 2024 for announcement to Bursa Malaysia Securities Berhad and publication on MSM's Corporate Website - Revision of MSM Group Trading Policy - Revision of the Sales Policy - Revision of Group Sustainability Policy - Revision of MSM Governance of Policies and Procedure Policy - Revision of Property, Plant and Equipment Policy - Revision of Intangible Asset Policy - Revision of Disposal and Non-Current Assets Held for Sale Policy - Revocation of Obsolete and Irrelevant Group Finance Policies - Preliminary Review on MSM's Limit of Authorities - Proposed Revocation of Obsolete and Irrelevant Group Human Resource Policies - Proposed Revision of External Auditor Policy - Revision of Trading Committee Terms of Reference - Revision of Sales Committee Terms of Reference - Revision of Group Procurement Policy - Proposed Revision of IT Policies : - IT Corporate Policy - IT User Policy - IT Security Policy - Whistleblowing Standard of Procedure/Flowchart
	Others - Annual Integrated Report 2024 Matters: - Corporate Governance Overview Statement - Report on Audit, Governance and Risk Committee - Statement on Risk Management and Internal Control - Production of MSM Malaysia Holdings Berhad's Annual Integrated Report for the financial year ended 31 December 2024 - Approved schedule of AGRC Meetings for year 2026

Conflict of Interest/Potential Conflict of Interest

- For the financial year 2025, the AGRC conducted a review of all conflict of interest (COI) or potential COI declarations received by the Directors and key Senior Management of the Company. Based on the review, no COI or potential COI including interest in competing business was identified.

Relationship with External Auditor

- The External Auditor Policy was developed to provide guidance on matters related to dealing with the firm of professional accountants which is or will be appointed as the External Auditor for the statutory audit of MSM Group.
- During the financial year ended 31 December 2025, other than the assurance service for review of Quarterly Bursa Announcement, there was no non-audit engagement rendered by the external auditor.
- There were private sessions held between the AGRC and the external auditor, without the presence of Management. The private sessions focused on areas where the external auditor provided additional, candid and confidential comments to the AGRC. The private sessions allowed the AGRC to explore matters in a frank and open forum. Overall, private sessions played an important role in the development of a trusting and respectful relationship between the AGRC and the external auditor.

Continuous Learning and Development

- Further details on the training attended by the Committee members during the financial year 2025 are detailed out under Directors' Training on pages 160 to 162.

Committee Evaluation

- For year of assessment 2025, Board Effectiveness Assessment was carried out in 2026 which encompassed the performance of the Committee and its Chairman as well as the Independence of the Independent Directors. The assessment focused on how effective the Committee had conducted its activities in 2025.

Internal Audit Function

- The internal audit function for MSM Group is outsourced to the holding company, FGV Holdings Berhad (FGV) Group Internal Audit (GIA) Division.
- The Chief Internal Auditor reports functionally directly to the AGRC of MSM.

- The conduct of GIA is based on a GIA Charter and Standard Operating Procedure (SOP).
- The Chief Internal Auditor, Ahmad Hasnizan Mohd Nor, is a Chartered Accountant with the Malaysian Institute of Accountants (MIA), associates of the Institute of Internal Auditors Malaysia (IIAM) and Association of Certified Fraud Examiners (ACFE). He also holds an MBA and a bachelor's degree in accounting.
- Four (4) internal auditors comprising a General Manager, a Manager and one (1) team of two (2) persons are specifically assigned for audits of MSM Group throughout the financial year.
- The total cost incurred for the financial year ended 31 December 2025 was RM2,283,921 (2024: RM2,175,163).

Summary of Activities of the Internal Audit Function

During the financial year under review, the internal audit function had undertaken the following main activities:

- Performed audits in accordance with the Annual Internal Audit Plan approved by the AGRC. The main areas covered were procurement and contract management, inventory, sales and sourcing of raw material.
- Performed investigative audits and presented to the AGRC the conclusions and subsequently sought the recommendation and direction from AGRC on actions to be taken.
- Presented to the AGRC at its quarterly meetings, the summary observations and recommendations and the status of Management's corrective actions implementation from the internal audit reports issued.
- Undertook Recurrent Related Party Transactions review for the purpose of supporting the Committee's statement in the Circular to the shareholders to seek mandate on new and existing Recurrent Related Party Transactions of the Group.

In 2025, the internal audit function performed 12 internal audit assignments (i.e. 6 assurance audits and 6 investigations) which consumed 980 mandays during the year in comparison to 540 budgeted mandays.

Statement by the Board

This Audit, Governance and Risk Committee Report was made in accordance with a resolution of the Board of Directors duly passed on 26 March 2026.

NOMINATION AND REMUNERATION COMMITTEE REPORT

NOMINATION AND REMUNERATION COMMITTEE REPORT

The Nomination and Remuneration Committee (NRC or the Committee) supports the Board in overseeing matters relating to Board composition, succession planning, executive leadership and remuneration. The Committee is responsible for identifying and recommending candidates for appointment to the Board, with a focus on ensuring an appropriate balance of skills, experience, independence and diversity aligned with the Company’s strategic priorities.

In relation to remuneration, the Committee oversees the development and application of remuneration frameworks for Executive Directors and Senior Management. These frameworks are designed to support the attraction and retention of talent, link reward to performance and align with market practice, while maintaining transparency, proportionality and fairness.

The Committee also plays an important role in supporting the Board’s corporate governance responsibilities. Through its work, the Committee promotes high standards of governance, ethical conduct and accountability, thereby supporting the Company’s long-term sustainability and reinforcing stakeholder confidence.

Composition of NRC

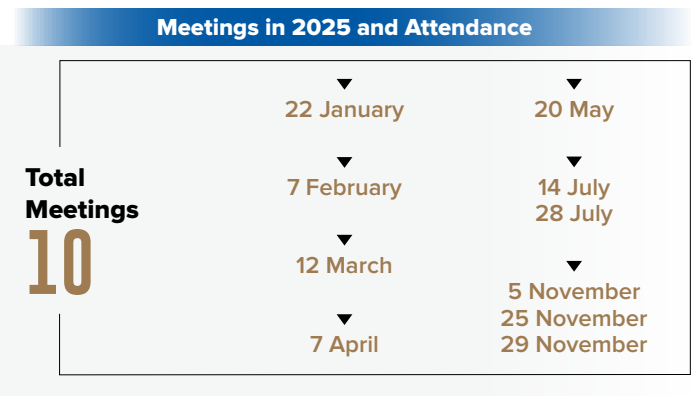
As of the date of this report, the NRC is composed exclusively of Non-Executive Directors (NED), with a majority being Independent Directors, ensuring objectivity and impartiality in its deliberations. The Committee is chaired by Datuk Dr Abd Hapiz Abdullah, an Independent Director who brings extensive expertise and leadership to the role.

Members	Type of Membership
Datuk Dr Abd Hapiz Adullah <i>(Redesignated as Chairman with effect from 2 July 2025)</i>	Chairman/Independent Non-Executive Director
Dato' Dr Suzana Idayu Wati Osman	Non-Independent Non-Executive Director
Thanneermalai A/L SP SM Somasundaram <i>(Appointed with effect from 12 September 2025)</i>	Independent Non-Executive Director
Datuk Syed Hisham Syed Wazir <i>(Appointed with effect from 2 July 2025 and resigned with effect from 12 September 2025)</i>	Independent Non-Executive Director
Dato' Sri Muthanna Abdullah <i>(Ceased with effect from 1 July 2025)</i>	Independent Non-Executive Director
Choy Khai Choon <i>(Ceased with effect from 19 June 2025)</i>	Independent Non-Executive Director

The profiles of the NRC members are detailed in the Board of Directors’ Profiles section on pages 138, 139 and 141.

The composition of the NRC complies with the requirements set out in Paragraph 15.08A(1) of the Bursa Malaysia Listing Requirements and is consistent with Practice 5.8 of the Malaysian Code on Corporate Governance 2021. In accordance with these requirements, the Committee is chaired by an Independent Director or the Senior Independent Director, supporting objective oversight and effective challenge.

The Board considers that the current composition of the Committee provides an appropriate balance of skills, experience and judgement to support effective succession planning, remuneration governance and Board effectiveness. This balance enables the Committee to discharge its responsibilities with independence and rigour, while safeguarding the interests of shareholders and supporting the Group’s long-term objectives.



Members	Meeting Attendance
Datuk Dr Abd Hapiz Abdullah	100%
Dato' Dr Suzana Idayu Wati Osman	100%
Thanneermalai A/L SP SM Somasundaram <i>(Appointed with effect from 12 September 2025)</i>	3/3
Datuk Syed Hisham Syed Wazir <i>(Appointed with effect from 2 July 2025 and resigned with effect from 12 September 2025)</i>	2/2
Dato' Sri Muthanna Abdullah <i>(Ceased with effect from 1 July 2025)</i>	5/5
Choy Khai Choon <i>(Ceased with effect from 19 June 2025)</i>	5/5

Under its TOR, the NRC is required to meet at least three times during the financial year. During 2025, the Committee held a total of ten (10) meetings, exceeding the minimum requirement. All meetings were chaired by the Chairman of the Committee, an Independent Non-Executive Director, who led discussions and supported effective deliberation. Attendance at each meeting met the quorum requirements prescribed in the TOR.

The annual schedule of meetings for 2025 was approved in advance to facilitate effective time planning by Committee members. Where necessary, additional meetings were convened by the Chairman to address specific or time sensitive matters.

The Company Secretary acts as Secretary to the Committee and supports the administration and documentation of meetings. By invitation, the Group CEO and the Head of Group Human Capital attended meetings to present relevant proposals and provide clarification. Other members of Management attended on an as needed basis, with due regard given to confidentiality.

Recommendations arising from the Committee’s deliberations during the year were submitted to the Board for consideration and approval.

Terms of Reference

The Committee functions in line with its TOR approved by the Board and developed in accordance with the Listing Requirements. These are reviewed periodically to maintain relevance and alignment with regulatory expectations, including those set out in the Malaysian Code on Corporate Governance 2021.

The current TOR of the NRC are available on the Company's corporate website at <https://www.msmsugar.com/our-company/corporate-governance>.

Responsibilities and Duties of the Committee

The responsibilities and duties of the NRC are defined in its TOR and encompass oversight of Board composition, succession planning, performance evaluation and remuneration governance. Key responsibilities include:

- reviewing the composition of the Board and assessing the balance of skills, knowledge, experience and diversity
- evaluating the performance and effectiveness of the Board
- reviewing the contractual arrangements of Executive Directors, Top Management and Senior Management
- assessing the performance of Executive Directors, Top Management and Senior Management
- establishing and overseeing remuneration policies for Directors and employees across the Group
- leading the process for Board appointments and making recommendations to the Board

Summary of Activities in 2025

All NRC meetings for year 2025 were conducted either physically, virtually, or in a hybrid format. The meetings were attended by the Group CEO together with Head of Group Human Capital. Meanwhile, the Group COO, CFO and Management attended the meetings upon invitation.

The summary of matters discussed and deliberated by NRC were as follows:

Nomination and Election Process

- Reviewed and recommended the composition of Board Committee of MSM Malaysia Holdings Berhad
- Reviewed, evaluated and recommended the candidate of an Independent Non-Executive Director in MSM Malaysia Holdings Berhad
- Reviewed and recommended the organisational structure revision for MSM Malaysia Holdings Berhad
- Reviewed and recommended the contract renewal for Group Chief Executive Officer and Group Chief Operating Officer
- Reviewed and recommended the re-election of retiring Directors at the 14th Annual General Meeting
- Reviewed, evaluated and recommended the Performance Appraisal Rating of Group Chief Executive Officer and Group Chief Operating Officer for financial year 2024
- Reviewed and recommended the appointment of Group Chief Executive Officer

Remuneration Matters

- Reviewed and recommended the proposed payment of Directors’ Remuneration for the financial year ended 2024 to Non-Executive Directors of MSM Malaysia Holdings Berhad

Other Matters

- Reviewed and recommended the obsolete and irrelevant Group Human Resources Policies
- Reviewed, assessed and recommended the Board Effectiveness Assessment for year 2024
- Reviewed, assessed and recommended the Board Annual Assessment on the Independence of the Independent Directors
- Reviewed and recommended the proposed 1st Collective Agreement between MSM Logistics Sdn Bhd and Kesatuan Pekerja-Pekerja MSM Logistics Sdn Bhd
- Approved the schedule of NRC Meetings for year 2026
- Reviewed and recommended the report on the NRC for the inclusion in MSM’s 2024 Annual Integrated Report

NOMINATION AND REMUNERATION COMMITTEE REPORT

Board Appointment Process

A formal and structured process is in place for the appointment and re-election of Directors. MSM has adopted a fit and proper policy for Directors, which is embedded in the MSM Board Nomination and Election Policy and Procedures (BNEPP). The BNEPP sets out the criteria and procedures for assessing the suitability of candidates for Board appointment and re-appointment, including “fit and proper” standards relating to probity, competence, experience, financial integrity and time commitment.

The BNEPP also formalises key policies on Board composition, covering diversity (including gender, age, ethnicity and cultural background), independence, potential conflicts of interest and the outcomes of Board and Director assessments, to support alignment with the Group’s needs and strategic direction.

In line with the TOR of the NRC and the BNEPP, the Committee reviews the structure, size and composition of the Board, Board Committees and directorships across the Group. This review includes an assessment of the skills, knowledge, experience and diversity of Directors to support an effective Board and the achievement of the Group’s strategic objectives.

The Company Secretary supports the appointment process by ensuring that appointments are conducted in accordance with statutory and regulatory requirements and that all necessary information is obtained from Directors to satisfy the Listing Requirements and other applicable regulations.

The NRC assesses and evaluates candidates for directorship before making recommendations to the Board. In doing so, the Committee applies the fit and proper criteria and considers the balance of skills, experience and diversity, including gender diversity, needed to support Board effectiveness.

Upon appointment, Non-Executive Directors participate in a structured induction programme designed to provide an understanding of the Group’s businesses, operations, governance framework and key policies. The programme includes briefings with Senior Management and heads of functions, enabling new Directors to gain insight into operational, financial and strategic matters and to contribute effectively at an early stage.

As part of the induction process, the Company Secretary provides a comprehensive Director’s Kit, which includes the Board Charter and the TOR of the Board Committees. These documents set out the roles, responsibilities and authority limits of the Board and its Committees and provide guidance on good corporate governance.

Appointment, Re-Appointment and Re-Election of Directors

The retirement and re-election of Directors are governed by the Company’s Constitution. In accordance with Clause 99, one third of the Directors, or the number nearest to one third with a minimum of one, are required to retire by rotation at each Annual General Meeting, with every Director subject to retirement at least once in every three years.

Clause 105 provides that any Director appointed to fill a casual vacancy or as an additional Director holds office until the next Annual General Meeting and is eligible for re-election. Such Directors are not taken into account in determining the Directors who retire by rotation at that meeting.

In addition to the above, Clause 108 of MSM’s Constitution, Clause 6.4.5(iv) and 6.4.5(v) of Board Charter and Clause 6.2.3 and 6.2.4 of BNEPP also provide that the term of office of an Independent Director of MSM shall not exceed three (3) years and that the Directors shall cease from the Board at the end of the three (3)-year term but shall remain eligible for re-appointment up to a maximum of nine (9) years. This is to ensure that the composition of the Board is refreshed periodically.

Pursuant to the above, Datuk Syed Hisham Syed Wazir and Datuk Dr Abd Hapiz Abdullah will conclude their second three (3)-year tenure as Independent Non-Executive Directors of the Company on 8 May 2026.

The NRC assesses Directors seeking re-appointment or re-election at the Annual General Meeting. The assessment includes an evaluation of performance and contribution, with reference to the fit and proper criteria and the continuing relevance of each Director’s skills and experience. Qualitative factors such as leadership, interpersonal skills and contribution to Board deliberations are considered, alongside specific expertise and professional networks.

Following this assessment, the Committee submits its recommendations to the Board on the Directors to be proposed for re-election to shareholders at the Annual General Meeting. Further details on the appointment, re-appointment and re-election process are disclosed in the Company’s Corporate Governance Report for the financial year ended 2025.

During the financial year 2025, up to the date of this report, the following changes have occurred:

Director	Changes	
	Type	Effective Date
Choy Khai Choon Independent Non-Executive Director	Retirement	19 June 2025
Low Chooi Hoon Independent Non-Executive Director	Cessation	19 June 2025
Dato' Sri Muthanna Abdullah Independent Non-Executive Director	Resignation	1 July 2025
Tan Chee Beng Independent Non-Executive Director	Appointment	12 September 2025
Thanneermalai A/L SP SM Somasundaram Independent Non-Executive Director	Appointment	12 September 2025
Dato' Fakhrunniam Othman Non-Independent Non-Executive Director	Resignation	28 February 2026

The Board currently comprises seven (7) Directors. Of these, two (2) are newly appointed Directors who, in accordance with Clause 105 of the Company’s Constitution, will retire at the forthcoming Annual General Meeting. These newly appointed Directors are not taken into account in determining the number of Directors required to retire by rotation under Clause 99 of the Company’s Constitution. Accordingly, the number of Directors considered for retirement by rotation is three (3).

In line with Clause 99, one (1) Director, representing one third or the number nearest to one third of the eligible Directors, will retire by rotation at the forthcoming Annual General Meeting.

Based on the outcomes of the Individual Director assessments conducted as part of the Board Effectiveness Assessment 2025, together with a review of Directors’ contributions to Board and Committee deliberations, the NRC concluded that each Director continues to meet the performance expectations and fit and proper criteria required of an effective and high performing Board. These assessments support the Board’s view that the Directors are able to continue to discharge their duties in a diligent and professional manner.

The Independent Non-Executive Directors subject to re-election have also provided their annual confirmations of independence in January 2026, supporting their continued classification as Independent Directors.

The Directors who are eligible for re-election at the forthcoming Annual General Meeting are as follows:

Director	Designation	Provision
Dato' Dr Suzana Idayu Wati Osman	Non-Independent Non-Executive Director	Re-election pursuant to Clause 99
Tan Chee Beng	Independent Non-Executive Director	Re-election pursuant to Clause 105
Thanneermalai A/L SP SM Somasundaram	Independent Non-Executive Director	Re-election pursuant to Clause 105

The above Directors had abstained from deliberations and decisions on their eligibility to stand for re-election at the relevant Board and Board Committee meetings.

Each Director standing for re-election will be considered individually. All such Directors have satisfied the performance standards and fit and proper requirements necessary to support an effective and high-performing Board, as evidenced by the outcomes of the Board Effectiveness Assessment 2025.

To assist shareholders in exercising informed judgement at the Annual General Meeting, this Annual Integrated Report provides comprehensive information on the Directors standing for re-election. This includes individual profiles, records of attendance at Board and Board Committee meetings, shareholdings in the Company, and details of any existing or potential conflicts of interest, including interests in businesses that compete with the Company or its subsidiaries.

In addition, the Annual Integrated Report includes confirmations that none of the Directors standing for re-election has been convicted of any offence, other than traffic offences, within the past five years, nor has any Director been subject to public sanction or penalty imposed by relevant regulatory authorities during the financial year ended 2025.

Board Effectiveness Assessment (BEA)

The Board conducts an annual review of the effectiveness of the performance of the Board and its Committees. In 2025, the Board continued the BEA exercise, which was carried out internally. The Board recognises that a continuous and constructive review of its performance is an important factor in achieving its objectives and realising its full potential. The cycle of the Board’s assessment is summarised as follows:

BEA 2025 Process



NOMINATION AND REMUNERATION COMMITTEE REPORT

Four (4) sets of assessment forms were circulated to eight (8) Directors to assess the effectiveness of the following:

- Board as a Whole
- Board Committees
- Directors' Self and Peer Evaluation
- Board Skills Matrix Assessment

The scope of the assessment for Board as a Whole covers the core drivers or ten (10) domains influencing the effective functioning of the Board as below:

- a) Board Roles and Responsibilities
- b) Board Leadership
- c) Board Dynamics
- d) Board Management Relationships
- e) Board Composition and Diversity
- f) Board Information
- g) Board Processes
- h) Board Committees
- i) Board Agenda and Meeting
- j) Board and Stakeholders Engagement

The assessment of the Directors was based on the relevant performance criteria in line with Practice 6.1 of the MCCG 2021.

Two (2) sets of assessment forms were circulated to Audit, Governance and Risk Committee to assess the effectiveness of the following:

- Audit, Governance and Risk Committee Evaluation
- Audit, Governance and Risk Committee Members' Self and Peer Evaluation

The scope of the assessment for Audit, Governance and Risk Committee covers the core drivers influencing the effective functioning of the Committee as below:

- Committee Quality and Composition
- Committee Skills and Competencies
- Committee Meeting Administration and Conduct

Results of the BEA

The evaluation comprehensively assessed all ten (10) core drivers of Board effectiveness with the overall rating for these core drivers remain “EFFECTIVE,” as detailed below:

OVERALL EFFECTIVE

Board Roles and Responsibilities

Board Leadership

Board Dynamics

Board Management Relationships

Board Composition and Diversity

Board Information

Board Processes

Board Committees

Board Agenda and Meeting

Board and Stakeholders Engagement

BOARD AS A WHOLE

The Board functions effectively as a cohesive unit, with each Director contributing robustly to discussions and offering constructive challenges to ensure the best possible outcomes.

BOARD COMMITTEES

Its Board Committees, namely the AGRC, ITC, NRC and BSC have executed their duties and obligations effectively in accordance with their respective TOR. In compliance with Paragraph 15.20 of the Listing Requirements, the NRC evaluated the performance of the AGRC for year 2025. The evaluation report on the performance of AGRC and its members was presented to the NRC and Board in March 2026. Following the assessment, the Board has determined that the AGRC and its members have fulfilled their functions, obligations and responsibilities in accordance with the TOR of the AGRC.

DIRECTORS' SELF AND PEER EVALUATION

All Directors have fulfilled the criteria necessary for being part of an efficient and high-performing Board. Furthermore, each Director has demonstrated the capability to continue carrying out their responsibilities with diligence as members of the Company's Board.

Statement by the Board

This Report on Nomination and Remuneration Committee is made in accordance with a resolution of the Board of Directors duly passed on 26 March 2026.

INVESTMENT AND TENDER COMMITTEE REPORT

The Investment and Tender Committee (ITC or the Committee) supports the Board by overseeing the Group's investment and procurement activities. The Committee reviews investment and procurement proposals and provides recommendations to the Board to ensure alignment within the Group's strategic objectives, risk appetite and governance framework. The Committee also promotes fair, transparent and effective procurement practices including compliance with established policies and procedures.

Composition of the Committee

The Committee comprises solely Non-Executive Directors, supporting objective judgement and effective challenge. The Committee is chaired by Puan Nurul Muhaniza Hanafi, a Non-Independent Non-Executive Director, who provides leadership and ensures the effective conduct of the Committee's proceedings.

Members	Type of Membership	Meeting Attendance
Nurul Muhaniza Hanafi <i>(Appointed with effect from 12 September 2025)</i>	Chairman/ Non-Independent Non-Executive Director	100% (3/3)
Tan Chee Beng <i>(Appointed with effect from 12 September 2025)</i>	Independent Non-Executive Director	100% (3/3)
Thanneermalai A/L SP SM Somasundaram <i>(Appointed with effect from 26 March 2026)</i>	Independent Non-Executive Director	-
Dato' Fakhrunniam Othman <i>(Ceased with effect from 28 February 2026)</i>	Non-Independent Non-Executive Director	60% (3/5)
Datuk Dr Abd Hapiz Abdullah <i>(Resigned with effect from 12 September 2025)</i>	Independent Non-Executive Director	100% (2/2)
Choy Khai Choon <i>(Ceased with effect from 19 June 2025)</i>	Independent Non-Executive Director	100% (2/2)

This composition structure supports effective oversight and informed judgement in the consideration of investment and procurement matters.

The Board considers that the current composition of the Committee provides an appropriate balance of skills, knowledge and experience to support objective decision making, safeguard shareholder interests and contribute to the effective delivery of the Group's strategic business objectives.

Meetings in 2025

Total Meetings

5

7 February

7 May

4 November

1 December

2 December

During the financial year, the ITC convened a total of five (5) meetings. The Company Secretary acted as Secretary to the Committee and was responsible for coordinating meetings and maintaining proper records. By invitation, the Group CEO, Group COO, CFO and relevant members of Management attended meetings to present proposals and provide clarification on matters under consideration.

Responsibilities and Duties of the Committee

The responsibilities and duties of the ITC are set out in its TOR which include oversight of the Group's investment and procurement processes. Key responsibilities include:

- ensuring that appropriate frameworks, mechanisms, policies and procedures are in place to support effective investment and procurement activities across the Group
- reviewing and evaluating proposals for investments, divestments and procurements to ensure consistency with the Group's approved policies, procedures and strategic objectives

Summary of Key Activities

Summary of Key Activities in 2025

The key activities carried out by the Committee during the financial year 2025 are as follows:

- Reviewed and evaluated major capital expenditure and investment proposals to ensure alignment with the Group's strategic priorities.
- Assessed tender processes and submissions to ensure compliance with the Group procurement policies, transparency and competitive bidding requirements.
- Evaluated project management approaches, timelines and risk mitigation plans to support effective project delivery.
- Reviewed and recommended enhancements to the Group's procurement policy, Limit of Authorities and contract management practices to strengthen governance and internal controls.
- Ensured value-for-money outcomes through cost analysis, benchmarking and commercial evaluation.
- Reviewed the ramping-up plans of MSM Sugar Refinery (Johor) Sdn Bhd.
- Reviewed the operational performance for MSM Prai Berhad and MSM Sugar Refinery (Johor) Sdn Bhd.
- Approved the schedule of ITC meetings for year 2026.

Statement by the Board

This Investment and Tender Committee Report was made in accordance with a resolution of the Board of Directors duly passed on 13 April 2026.

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STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement on Risk Management and Internal Control (SORMIC) is prepared in line with Paragraph 15.26(b) of the Main Market Listing Requirements (Listing Requirements) issued by Bursa Malaysia Securities Berhad (Bursa Malaysia), with guidance from Bursa Malaysia’s Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (SORMIC Guidelines) and IIAM SORMIC Guide 2025 and international standards (ISO 31000, COSO Internal Control – Integrated Framework)

The Board affirms the Group’s continued commitment to maintaining robust risk management and internal control systems across the Group and its subsidiaries. For the financial year under review, the Board reviewed the adequacy and effectiveness of these systems, as outlined in the SORMIC, which describes the nature and scope of the risk management and internal control systems implemented across the Group. The SORMIC provides an overview of the Group’s enterprise risk management framework, policies, processes and key control measures established to manage risks, safeguard the Group’s assets and shareholders’ interests, ensure compliance with applicable laws and regulatory requirements, and support the integrity, resilience and continuity of the Group’s operations.

In recognising the inherent limitations of any system of internal control, the Board is satisfied that the Group’s risk management and internal control framework is designed to manage risks to an acceptable level in support of the Group’s corporate objectives and provides reasonable assurance on the effectiveness of internal controls. The Board remains committed to the continuous enhancement of the Group’s risk management and internal control practices to address evolving risks and emerging challenges.

Responsibility and Accountability

Board Level



The Board

- The Board sets the “tone at the top” by establishing the Group’s risk appetite, which defines the levels and types of risk the Group is willing to accept in pursuit of its corporate objectives. The Board provides oversight to ensure that risk considerations are embedded in strategy formulation and decision-making, and actively participates in strategic planning with due regard to inherent and emerging risks. Management is required to operate within the approved risk appetite and tolerance levels, supported by appropriate policies, processes and controls.
- In discharging its risk management and internal control oversight responsibilities, the Board has established the Audit, Governance and Risk Committee.

Audit, Governance and Risk Committee (AGRC)

- The AGRC assists the Board in overseeing the Group’s system of risk management and internal control, including the audit function as an independent assurance mechanism. The AGRC oversees the establishment and ongoing development of the Group’s enterprise risk management framework and related policies, and reviews the adequacy and effectiveness of the Group’s risk management and internal control systems, encompassing governance structures, strategies, policies, processes and controls.
- The AGRC receives and reviews periodic risk and internal control reports during the financial year, supported by independent assurance from the internal audit function, and provides the Board with an annual assessment on the adequacy and effectiveness of the Group’s risk management and internal control framework, together with any significant findings and recommendations.

Management Level



Risk Committee (RC)

- The RC is a Management-level committee comprising members of Senior Management and key functional heads, established to assist Top Management in the implementation and effective execution of the Group’s risk management and business continuity practices. The RC supports Top Management by reviewing and deliberating on key and emerging risks, mitigation strategies, and the appropriateness of risk appetite and tolerance levels, as well as the effectiveness of risk management and internal control measures, prior to escalation and recommendation to the AGRC and the Board, where applicable.

Operation Level



Risk Owner

- Risk Owners are accountable for identifying, assessing and managing risks within their respective areas of responsibility, including ensuring the completeness and timeliness of risk assessments and addressing risks that cut across multiple functions.

Risk Champion

- Risk Champions support the risk management process by coordinating and facilitating risk assessments, promoting consistent application of risk management practices, and supporting Risk Owners in the preparation, review and escalation of risk information to the Risk Committee.

Corporate Governance & Risk Management (CGRM)

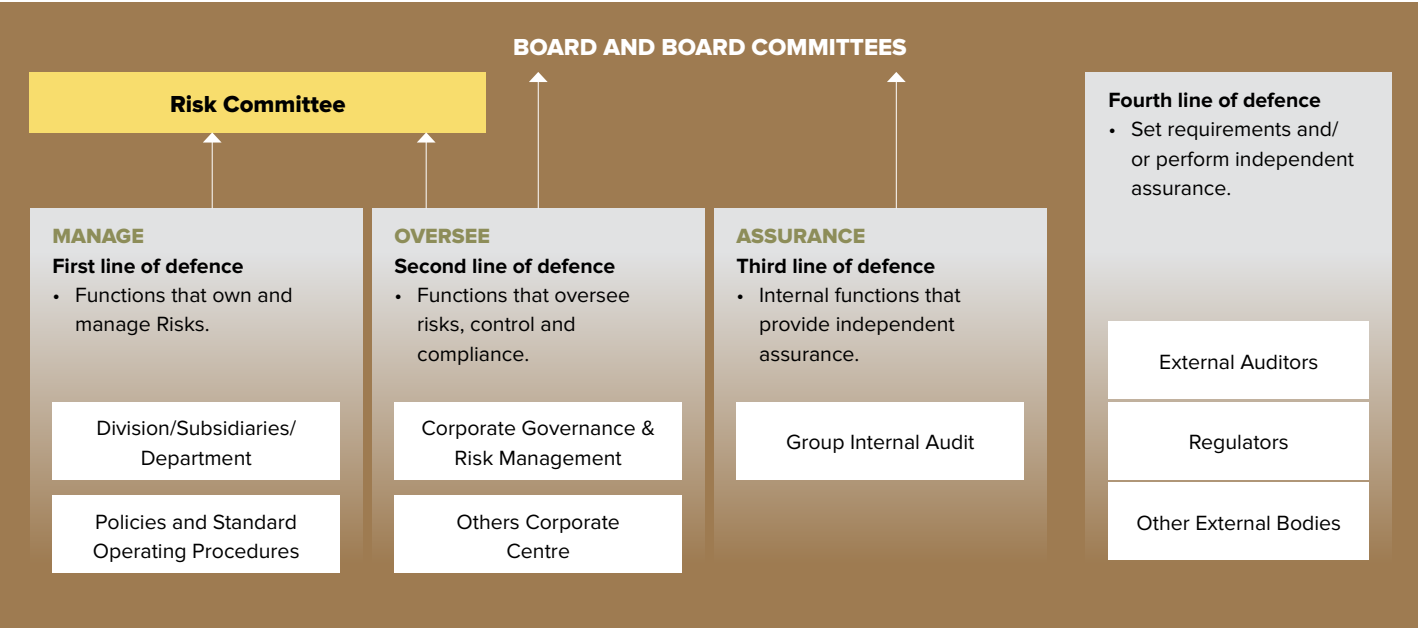
- The CGRM function facilitates and coordinates the implementation of the Group’s Risk Management Framework. CGRM supports Management and the Risk Committee in overseeing Enterprise Risk Management and Business Continuity Management by facilitating risk assessments, maintaining the Enterprise Risk Management System, supporting risk appetite monitoring, consolidating risk reporting, and coordinating business continuity planning and crisis preparedness across the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Governance, Lines of Defence and Risk Management Process

The Group’s risk management and internal control framework is structured around a clear governance and assurance model, supported by a defined risk reporting architecture and a systematic risk management process. This framework is aligned with the Statement on Risk Management and Internal Control (SORMIC) Guide 2025, the MCCG 2021, ISO 31000 – Risk Management, and Paragraph 15.26(b) of the Bursa Malaysia Listing Requirements.



The Risk Management Framework

MSM has adopted the 4 lines of defence model as the fundamental approach to ensure the effectiveness of risk management.

The Group adopts a Lines of Defence model to ensure effective risk ownership, oversight and independent assurance.

- **First Line of Defence:** Management and operational functions across divisions and subsidiaries are responsible for identifying, assessing and managing risks arising from day-to-day operations in accordance with approved policies and procedures.
- **Second Line of Defence:** Oversight and specialist functions, including CGRM and other corporate centre functions, facilitate the risk management process, monitor risk exposures and provide guidance and challenge to ensure risks are managed within the Board-approved risk appetite.
- **Third Line of Defence:** The Internal Audit function provides independent and objective assurance to AGRC on the adequacy and effectiveness of the Group’s risk management and internal control systems.
- **Fourth Line of Defence:** Additional assurance is obtained from external auditors, regulators and other external bodies, where applicable, to complement the Group’s internal assurance arrangements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The framework seeks to minimise risk incidents and maximise business outcomes by allowing us to:

Understand the risk environment, and assess the specific risks and potential exposure	Determine how best to deal with these risks to manage overall potential exposure	Manage the identified risks in appropriate ways	Monitor and seek assurance on the effectiveness of the management of these risks and intervene for improvement where necessary	Escalate to the Management and Board on a periodic basis on how significant risks are being managed, monitored, assured and improved
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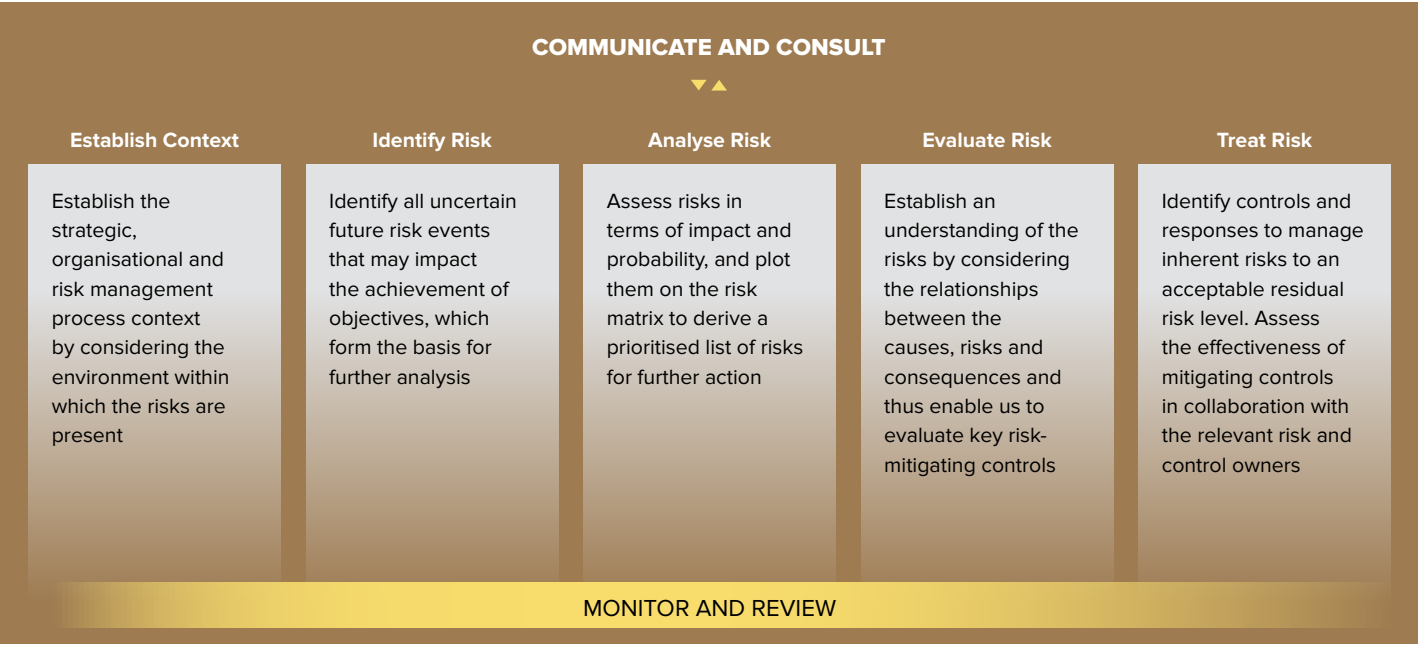
Risk Reporting Architecture

Risk ownership and reporting are structured to ensure timely escalation and effective oversight. Risk information flows from Risk Owners to CGRM, and is escalated through the Risk Committee, the AGRC, and ultimately to the Board of Directors. This reporting architecture enables the Board to monitor significant risks, emerging issues and control effectiveness on an ongoing basis. This risk reporting architecture operates on a quarterly reporting cycle, with ad-hoc escalation to Management, the Risk Committee and the AGRC for significant or emerging risks as and when required.



Risk Management Process

The Group applies a structured risk management process covering:



The risk management process is supported by continuous communication and consultation with relevant stakeholders, together with ongoing monitoring and periodic review to ensure risks remain within acceptable levels.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Group's Enterprise Risk Management System (ERMS) classifies risks into six main risk categories, each supported by secondary and sub-risk categories to ensure comprehensive and structured risk identification across the Group. This hierarchical structure enables consistent assessment, monitoring and reporting of risks at both strategic and operational levels.



categories
of key risk factors
in ERMS

Each main risk category is further broken down into secondary risk categories (e.g. regulatory, supply chain, liquidity, technology, sustainability) and sub-risk categories, allowing risks to be assessed with appropriate granularity based on business activities, operating environment and risk exposure.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

DIGITAL RISK REGISTRATION, ASSESSMENT AND MONITORING (Including Key Risk Indicators)

The Group utilises a centralised digital Enterprise Risk Management (ERM) system to register, assess, monitor and approve all risks across the organisation. All risk registers are maintained within the system and are categorised by main, secondary and sub-risk categories.

Each risk register entry includes Key Risk Indicators (KRIs), together with inherent and residual risk assessments, mitigation actions and assigned risk ownership. KRIs are used to provide early warning signals on changes in risk exposure and are monitored against defined thresholds to support timely escalation and Management action.

All updates, reviews and approvals of risks and KRIs are performed within the digital ERM system, providing a clear audit trail and enabling structured reporting to Management, the Risk Committee, the AGRC and the Board.

Emerging Risks

The Group adopts a forward-looking approach in identifying and monitoring emerging risks arising from changes in the external operating environment. This process is undertaken by the CGRM function as part of proactive risk management efforts, supported by ongoing horizon scanning and environmental monitoring.

During the financial year, emerging risk activities focused on key areas including geopolitical developments, supply chain vulnerabilities,

potential utilities disruptions and new or evolving regulatory requirements that may affect operational resilience across the Group.

Key emerging risk themes and observations were deliberated at the RC to provide visibility to Management members of the Committee. Updates on these emerging risk matters were subsequently reported to the AGRC and the Board of Directors as part of key risk management initiatives, supporting awareness and oversight of evolving risk exposures.

Sustainability Risks

Sustainability-related matters, including ESG considerations, are governed through the Group's sustainability governance structure. The ESG Department leads the identification, assessment and monitoring of material sustainability matters, with oversight by the SSC and the BSC, focusing on sustainability strategy, material matters, performance and compliance.

The Risk Committee (RC) and the AGRC have distinct and complementary roles in overseeing the management of sustainability-related risks. Where sustainability matters give rise to risks with potential impact on the Group's objectives or operations, such risks are assessed using the Group's existing risk management framework and, where appropriate, captured in the relevant risk registers. These risks are reviewed and

deliberated at the RC level and escalated to the AGRC for oversight within the Group's risk management and internal control governance structure.

Coordination between the ESG Department, the CGRM function and other relevant functions is maintained to ensure consistency in risk identification, assessment, monitoring and reporting, while preserving clear accountability across sustainability and risk governance forums.

Detailed disclosures on sustainability strategy, governance, policies, performance indicators and initiatives are provided in the Our Group Sustainability Review section of this Report.

Risk Appetite

As part of the FGV Group, the overarching risk appetite framework and tolerance thresholds applicable to the Group are established and approved by the FGV Group Board of Directors to guide acceptable risk-taking across the Group.

In alignment with the Group framework, MSM applies sector-specific risk appetite statements and thresholds relevant to the sugar business, covering key risk areas across its divisions and departments. These MSM-specific risk appetite parameters are endorsed at the MSM level and aligned with the Group's risk appetite framework.

Key risks identified through the enterprise risk management process are considered as inputs in business planning and budgeting discussions, supporting Management's assessment of risk exposures when evaluating operational priorities and resource allocation.

Risk exposures are monitored through the identification and assessment of risks registered in the enterprise risk management system, supported by KRIs owned by Management. Risk information and KRI performance are reviewed through the established governance structure and escalated to the Risk Committee, the AGRC and the Board of Directors, enabling oversight of risks in line with the approved risk appetite framework.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Review, Monitor and Report

During the financial year, the Group performed enterprise-wide risk assessments on an ongoing basis, including periodic reviews conducted quarterly and as and when required in response to emerging risks and changes in the operating environment.

Risk registers, together with associated Key Risk Indicators (KRIs), were reviewed and monitored through the Group's digital ERM system. Risk information and assessment outcomes were reported in accordance with the established governance structure, with quarterly updates tabled to the Risk Committee, escalated to the AGRC, and ultimately reported to the Board of Directors.

All scheduled risk reviews for the financial year were successfully completed, delivered and reported through the relevant governance forums, providing the Board with timely and structured visibility over the Group's risk profile, emerging risks and the effectiveness of mitigation actions.

RISK MANAGEMENT ACTIVITIES IN 2025

The following activities illustrate the application of the Group's risk management framework during the financial year.

Risk Governance and Framework Enhancement

During the financial year, the Group reviewed and enhanced its risk governance arrangements to ensure continued effectiveness and alignment with evolving business and regulatory requirements. This included updates to risk governance documentation, committee terms of reference and supporting procedures governing risk assessment and reporting processes.

Risk Reporting and Oversight

The Group conducted periodic risk reporting throughout the year, supported by structured reviews of risk registers across business units. These reports were deliberated at Management-level risk forums and escalated through the established risk governance structure to the AGRC and the Board to support informed oversight and decision-making.

Risk Identification and Assessment

Risk identification and assessment activities were carried out on a regular basis, covering strategic, operational, financial, regulatory, geopolitical and sustainability-related risks. In addition to routine risk assessments, the Group performed targeted and preliminary assessments on selected emerging and material risk areas to evaluate potential impacts on the Group's objectives, projects and operations.

Risk Register Review and Monitoring

The Group undertook periodic reviews of its risk registers to assess the adequacy and effectiveness of existing mitigation measures and action plans. These reviews covered a broad range of risk categories, including governance, commercial, legal, operational, safety, environmental and sustainability-related risks, to ensure that risks remained current, relevant and appropriately managed.

Risk Roles, Capability and Capacity Building

Risk management capability was strengthened through the appointment of Risk Owners and Risk Champions across the Group, supported by ongoing competency development initiatives. Training, workshops and engagement sessions were conducted to enhance risk awareness, technical knowledge and consistent application of risk management and business continuity practices.

Risk Communication and Awareness

Risk communication initiatives were undertaken during the year to promote a strong risk management culture across the Group. These initiatives focused on emerging risk themes, evolving external risk landscapes and practical guidance on risk identification, mitigation and governance.

Business Continuity Management

Business continuity management activities were carried out to enhance operational resilience. These included impact assessments for selected disruption scenarios, reviews of alternate arrangements and updates to preparedness measures, with oversight through the Group's risk governance structure.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BUSINESS CONTINUITY MANAGEMENT (BCM)

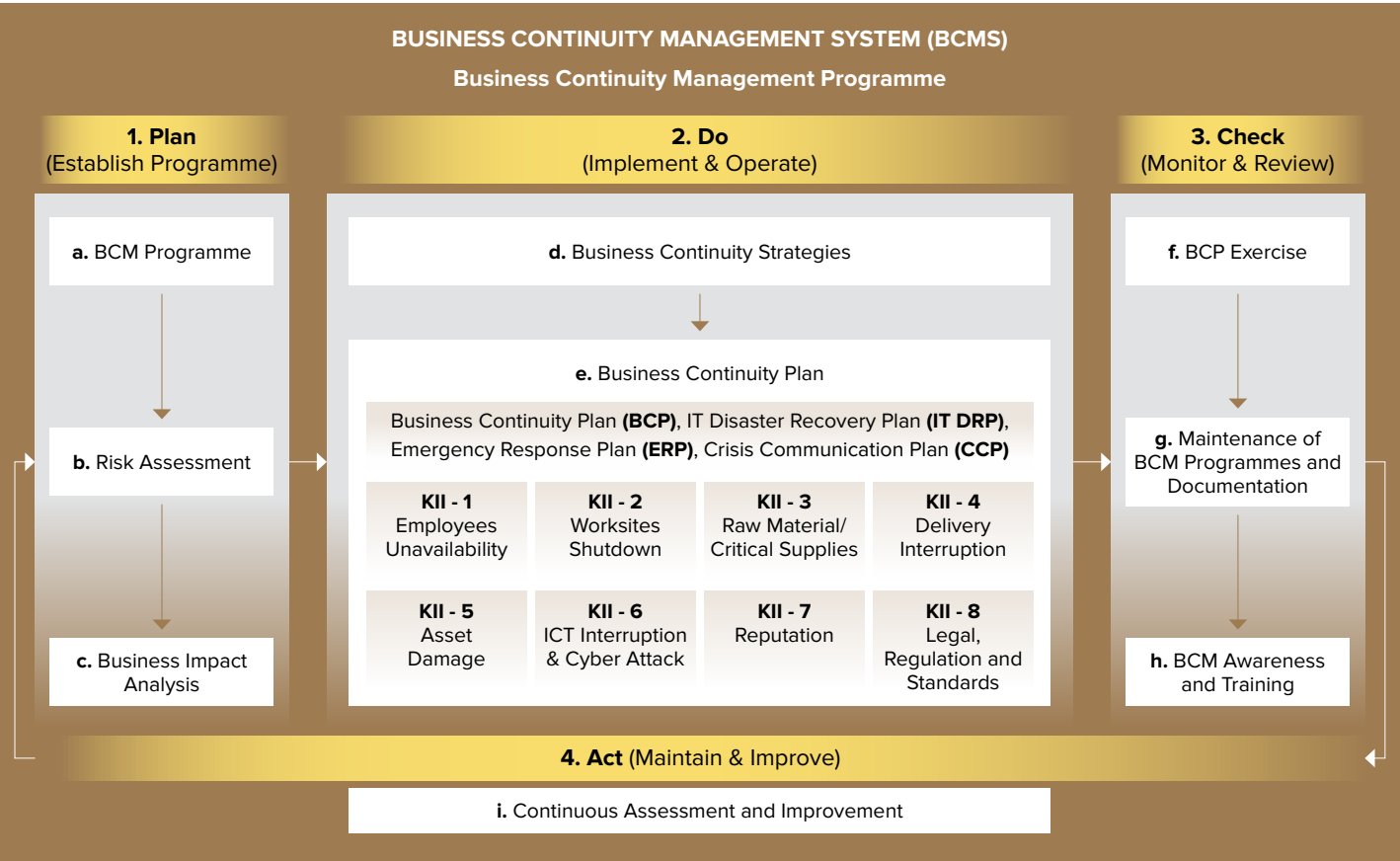
The Group has established a structured Business Continuity Management (BCM) framework to enhance organisational resilience and support the continuity of critical business operations. Oversight of BCM is provided by the Board of Directors, supported by the AGRC and the Risk Committee, with implementation coordinated by the CGRM function.

The Group's BCM framework operates within the same governance and assurance structure established for enterprise risk management and is guided by internationally recognised business continuity principles, including the ISO 22301 Business Continuity Management System (BCMS) and Disaster Recovery Institute (DRI) professional practices. The framework is supported by a BCMS based on the Plan-Do-Check-Act (PDCA) cycle, encompassing risk assessment and Business Impact Analysis (BIA), continuity strategies and plans, including Business Continuity Plans (BCP), Emergency Response Plans (ERP), Crisis Management Plans (CMP) and IT Disaster Recovery Plans (IT DRP), as well as monitoring, review and continuous improvement activities.

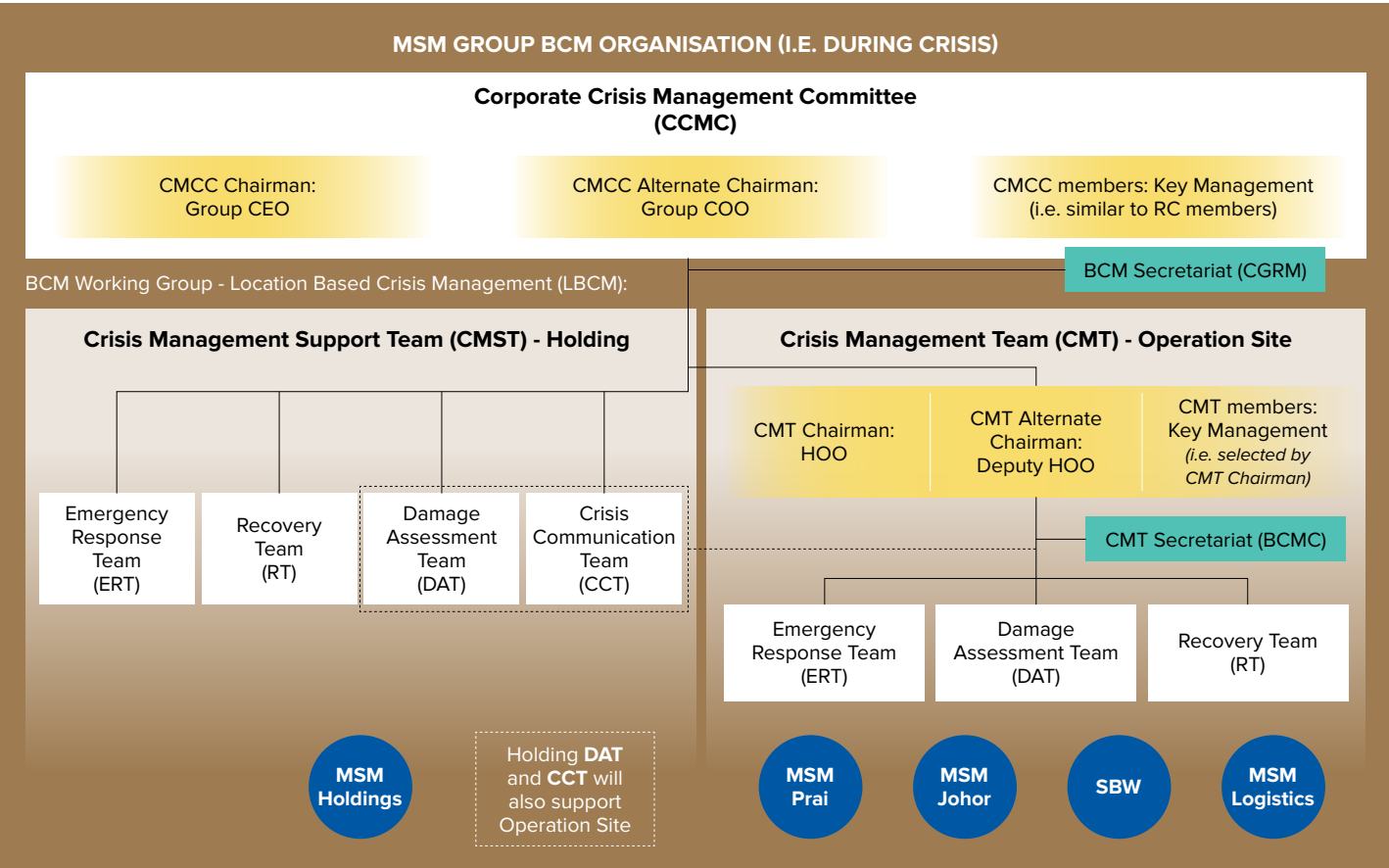
During the financial year, the Group conducted several impact assessments and scenario-based evaluations to assess the potential impact of specific occurrences, including supply chain constraints, critical utilities and infrastructure failure, and cybersecurity incidents, on critical operations and recovery priorities.

In addition, emergency preparedness and operational readiness exercises were carried out at each operating site to test emergency response procedures, crisis coordination mechanisms and recovery arrangements, as well as to enhance readiness, build awareness and strengthen response capabilities among personnel. The outcomes of these exercises were reviewed and used to improve BCM plans and response protocols, thereby strengthening the Group's overall operational resilience.

The Group's BCM framework and plans are subject to ongoing review and enhancement, in line with ISO 22301 and DRI good practices, to ensure continued relevance and effectiveness in response to changes in business operations, risk exposure and external developments.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL



INTERNAL CONTROL ENVIRONMENT

The Group maintains an internal control framework supported by documented policies, procedures and operational practices that underpin the protection of assets and the integrity of financial and non-financial information. Control measures are integrated within key business activities, including operational, financial and information technology processes, and are designed to promote consistent and disciplined execution of controls across the organisation.

Responsibility for the day-to-day application of internal controls rests with Management, supported by ongoing monitoring activities such as supervisory oversight, exception analysis and periodic control testing. Process owners undertake scheduled self-reviews to evaluate the adequacy of controls within their areas of responsibility and to update control practices where operational changes have occurred. Management is required to escalate significant control deficiencies to the AGRC, together with measures to address identified weaknesses.

A structured internal control assessment is carried out by Management on an annual basis, the outcomes of which are presented to the AGRC. This review considers changes in the business environment and assesses the results of assurance work performed during the year. The Board, through the AGRC, examines the findings of these assessments as part of its oversight responsibilities.

Consistent with IIAM guidance, the Board's annual evaluation of the Group's risk management and internal control framework incorporates confirmation obtained from the Group CEO and CFO, as well as input from internal and external audit activities. Based on these evaluations, the Board is satisfied that the internal control environment is appropriate and that actions are being undertaken to address matters identified for improvement.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The key elements of our internal control structure are as follows:

1.
Ethics &
Integrity

2.
Authority &
Responsibility

3.
Policies & Procedures

4.
Monitoring

5.
Competency

ETHICS AND INTEGRITY

The Group is dedicated in upholding the highest standards of ethical conduct and integrity in the execution of its business activities. This commitment is fortified by the establishment of comprehensive Policies & Procedures, serving as fundamental pillars for internal control. Furthermore, this approach aligns seamlessly with the Guidelines on Adequate Procedures for Corporate Liability, rooted in the five guiding principles of T.R.U.S.T.

INTEGRITY ACTIVITIES

The Group has undertaken the following key activities to show our commitment to be an ethical and professional organisation, anchored on ethics, integrity and accountability:

1. Governance, Integrity & Risk Periodic Communication	2. Revision of the policies	3. Corporate Governance & Risk Management Update to EXCO and Board	4. Chief Integrity and Governance Officers (CIGO) Symposium 2025	5. MSM Integrity Pledge
6. MSM Integrity Survey	7. CGRM Roadshow	8. Certified Integrity Officer (CeIO) Programme	9. Organisational Anti-Corruption Plan (OACP)	10. Certified Professional in Integrity Assurance and Management (CPIAM)

 For further information on the Integrity activities, refer to pages 153 to 155 of this Report.

AUTHORITY AND RESPONSIBILITY

Organisation Structure

The Group maintains a robust organisational structure that efficiently arranges its business operations. This structure delineates clear lines of reporting, authority, and segregation of duties, fostering a culture of ownership, accountability, and judiciously delegated authority.

Limit of Authorities (LOA)

A well-documented LOA, outlining lines of accountability and responsibility, stands as a reference tool. This document aids in identifying the appropriate approving authority at different levels of Management, encompassing matters that necessitate approval from the Board.

Job Description

Within the organisational structure, every role is underpinned by a precise description of job responsibilities, linked to the Group's vision and goals. These well-crafted and effective job descriptions provide clarity in understanding responsibilities and the interplay between functions. This not only fosters collaboration across the Group, enhancing operational efficiency but also bolsters succession planning. Moreover, it acts as a mechanism to retain and motivate top talents, ensuring employee engagement and fostering a culture of high performance. The Job Description (JD) Bank project was completed in September 2024, involving MSM Holdings (MSMH), MSM Prai KL, MSM Prai, SBW, MSM Johor, and MSM Logistics.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

POLICIES AND PROCEDURES

The process of development and revision of policies and procedures in MSM is governed by the MSM Governance of Policies and Procedures Policy to ensure documents are thoroughly reviewed by the relevant stakeholders, in compliance with the Malaysian laws and regulations and appropriately approved by the authorised authority. The monitoring mechanism is also embedded in the Governance of Policies and Procedures Policy to ensure the documents are still relevant and reflect the current business environment.

Policies

Policies are designed to ensure compliance with related requirements of the applicable laws, regulations, and internal governance frameworks. Policies are revised from time to time to uphold proper governance of the Group, taking into account business needs and emerging risks.

The followings are the revised policies that were endorsed by AGRC and approved by the Board in 2025:

2025			
9 April MSM IT Corporate Policy	MSM IT User Policy	MSM IT Security Policy	22 May External Auditor Policy

Anti-Bribery Policy Statement

The Group remains committed to promoting transparency and ethical conduct, and to upholding the highest standards of integrity and accountability across all its business activities. In support of this commitment, the Anti-Bribery Policy Statement was last reviewed and approved on 29 September 2025 and is made available on the Company's website for reference.

MSM Whistleblowing Channel (System) & Committee Channel

The establishment of structured and accessible reporting channels for allegations of misconduct within the Group serves as a key preventive and detection mechanism against unethical conduct. This whistleblowing channel supports MSM in fostering a culture of integrity, accountability, and transparency, while ensuring adherence to applicable ethical standards and legal requirements across the Group.

Committee

The MSM Whistleblowing Committee comprises of the seven (7) members from the Management.

MSM External Gift Entertainment and Hospitality Policy

The Group recognises that the provision or receipt of gifts, entertainment, and hospitality may occur in the course of legitimate business interactions. Any such giving or receiving must be conducted in accordance with the Policy and the relevant LOA. The Policy's objective is to uphold the highest standards of

integrity, ensuring that there is never a suggestion of improper motives behind the offer or acceptance of gifts, entertainment, and hospitality that could unduly influence the recipient.

MSM Conflict of Interest Policy

This policy mandates that all employees associated with the Group consistently act in the best interest of the Group, prioritising collective well-being over personal interests. Employees are expressly prohibited from engaging in activities that could lead to personal gain, either for themselves, their 'relative,' 'associate,' or third parties, or any activities conflicting with the overarching interests of the Group. Any situation where a conflict of interest may arise shall be managed in accordance with the Policy.

MSM Business Continuity Management (BCM) Policy

This policy establishes a structured framework to enhance organisational resilience and ensure the continuity of operations across its Group of Companies. Preparedness is fundamental to long-term sustainability, and MSM is committed to maintaining a robust BCM system through continuous training, governance, and strategic resource allocation. This policy integrates key continuity components, including emergency response, disaster recovery, crisis communication, and business continuity planning, while ensuring alignment with evolving regulatory standards and industry best practices. MSM's Business Continuity Management System (BCMS) is structured in accordance with ISO 22301 and follows the Plan-Do-Check-Act (PDCA) model, supporting continuous improvement and operational resilience.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

MSM Whistleblowing Policy

The Policy ensures that whistleblowers’ identities are protected and that they are safeguarded from victimisation, harassment, or any form of reprisal. All reports of misconduct are taken seriously, thoroughly investigated, and acted upon in accordance with applicable laws, regulations, and internal policies. By promoting a culture of transparency and accountability, this whistleblowing mechanism helps protect the Group’s reputation and reinforces its commitment to ethical and legal compliance.

MSM Referral Policy

This Policy sets out the rules and principles governing the referral of criminal cases, including but not limited to fraud, bribery, and abuse of power, to the relevant Enforcement Agencies. Emphasising strict adherence to established protocols, the Policy provides clear guidance on the initiation of referrals, key considerations during investigations, and other matters relevant to the referral process.

MSM Code of Business Conduct and Ethics (CoBCE)

Policy for Employees

The CoBCE Policy serves as a compass for our employees, steering them towards embracing the core values of the Group and adhering to applicable laws and regulations through practices characterised by honesty, transparency, and ethical conduct. Encompassing crucial domains including compliance, integrity, workplace conduct, business practices, safeguarding the Group’s assets, confidentiality, and conflict of interest, the CoBCE Policy is a comprehensive guide shaping responsible and ethical behaviour within the organisation.

Corruption Risk Management Review (CRM)

The CRM is being reviewed by the consultant and will be incorporated under the OACP. The OACP Report is scheduled for Board endorsement prior to publication.

Monitoring

Financial and Operational Review

Financial and Operational Review is a mechanism adopted to measure the Group’s actual performance against its business plan, previous year’s performance and the annual budget.

This review is undertaken on a monthly and quarterly basis by an Executive Committee comprising Senior Management of the Group. The Group CEO, Group COO and CFO present the Group’s Quarterly Financial Information and Operational Performance analysis to the AGRC prior to Board’s approval and subsequent release to Bursa Malaysia.

Annual Business Plan and Budget

Business Planning, which is coordinated and aligned to specific objectives, is essential to direct the activities and initiatives of each Head of subsidiaries and departments towards meeting the Group’s short-term and long-term objectives. With this view, the Group emphasises on a comprehensive annual budgeting process to ensure that the Group’s Business Plan are in line with Strategic Plans approved by the Board.

Competency

MSM views its employees as invaluable assets. The Group is committed to its employees and professional development at all levels.

In achieving the next level of productivity, excellent service, and performance, MSM has developed SWIIT Values (S for Sense of belonging, W for winning attitude, I for Integrity, I for Innovation and T for Teamwork) which bring meaningful purpose, practical strategies and goals together to make the organisation aspirations more credible and achievable.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT AND ASSURANCE

The Group’s internal audit function is carried out by the Group Internal Audit (GIA) Division of its holding company, FGV Holdings Berhad. GIA reports functionally to the AGRC on MSMH-related matters and has full and unrestricted access to the AGRC for consultation on all internal audit matters.

GIA provides independent, objective and reasonable assurance, together with advisory services, to add value and improve the effectiveness and efficiency of the Group’s operations. In supporting the achievement of the Group’s strategic objectives, GIA adopts a systematic and disciplined approach to evaluate and enhance the adequacy and effectiveness of the Group’s risk management, internal control and governance processes.

GIA’s activities are conducted in accordance with the Global Internal Audit Standards (GIAS) issued by The Institute of Internal Auditors. A risk-based Annual Internal Audit Plan is developed to outline audit engagements across the Group and is reviewed and approved by the AGRC.

In addition to the approved audit plan, GIA undertakes special reviews as required to address specific issues or concerns raised by Management or the AGRC. Audit observations and recommendations are communicated on a timely basis, and follow-up reviews are performed to monitor the implementation of agreed corrective actions, with progress reported periodically to the AGRC the overall control environment.

GROUP CEO AND CFO ASSURANCE

In line with Bursa Malaysia Listing Requirements and IIAM guidance, written confirmations are provided by the Group CEO and CFO to the Board on the performance of the Group’s risk management and internal control framework during the financial year. These assurances are grounded in their leadership responsibilities over operational management, supported by the risk management, compliance and internal audit functions.

The AGRC reviews these representations as part of its annual evaluation of the Group’s risk management and internal control arrangements, and presents its conclusions to the Board for consideration. This process supports the Board’s assessment of whether the RMIC framework remains appropriate in addressing the risks associated with the Group’s operations and strategic objectives.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement of Risk Management and Internal Control as per Paragraph 15.23 of the Bursa Malaysia Listing Requirements. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guideline (AAPG) 3 issues issued by Malaysian Institute of Accountants. AAPG3 does not require external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

CONCLUSION AND BOARD STATEMENT

Having regard to the risk governance arrangements in place and the oversight activities performed throughout the financial year, including reviews conducted by the Board and its Committees, together with assurances provided by the Chief Executive Officer and Chief Financial Officer, the Board is satisfied that the Group’s risk management framework and internal control arrangements functioned appropriately and effectively during the year under review.

The Board recognises that the risk landscape is continually evolving and will continue to enhance the Group’s risk management and internal control practices to address emerging developments and heightened stakeholder expectations. This Statement is issued pursuant to a resolution of the Board passed on 26 March 2026 and is prepared in compliance with the requirements of Bursa Malaysia Listing Requirements Paragraph 15.26(b) and the Malaysian Code on Corporate Governance 2021.



ADDITIONAL COMPLIANCE INFORMATION

In compliance with the Bursa Malaysia Listing Requirements, the following information is provided:

Utilisation of Proceeds Raised from Corporate Proposals

There was no utilisation of proceeds raised from corporate proposals as there were no corporate proposals during the financial year ended 31 December 2025.

Audit and Non-Audit Fees

During the financial year ended 31 December 2025, total fees for statutory audit and non-audit services (including other assurance services) paid or payable to the external auditors, PricewaterhouseCoopers PLT (PwC) are shown below:

Fees paid/payable	Group RM'000	Company RM'000
Statutory audit	513	201
Other assurance	343	343
Total	856	544

Material Contracts

Neither the Company nor any of its subsidiaries have entered into any contracts which are or may be material (not being contracts entered into in the ordinary course of business) within two (2) years immediately preceding the date of this Annual Integrated Report.

Disclosure of Recurrent Related Party Transactions (RRPT)

At the 14th Annual General Meeting (AGM) held on 19 June 2025, the Company had obtained a Shareholders’ mandate from its Shareholders for the existing RRPT of a revenue or trading nature for MSM and its Group of Companies (MSM Group) and Shareholders’ mandate for the new RRPT of a revenue or trading nature for MSM Group (RRPT Shareholders’ Mandate). The RRPT Shareholders’ Mandate is valid until the conclusion of the forthcoming AGM of the Company.

The Company proposes to seek the following at its forthcoming AGM:

- a) renewal of Shareholders’ mandate for the existing RRPT; and
- b) Shareholders’ mandate for the new RRPT.

If approved by the Shareholders, the above proposed Shareholders’ mandate will be valid until the conclusion of the Company’s next AGM to be held in 2027.

The details of the proposed renewal of the RRPT Shareholders’ Mandate will be disclosed in the Circular to Shareholders which will be published together with the Notice of the forthcoming AGM.

ADDITIONAL COMPLIANCE INFORMATION

In accordance with Paragraph 10.09 (2) (b) of the Bursa Malaysia Listing Requirements, details of the RRPT conducted during the financial year ended 31 December 2025 pursuant to the Shareholders’ Mandate are as follows:

Transacting Parties	Nature of Relationship			Nature of Transaction	Transaction Value for the year ended 31 December 2025 (actual) RM'000
MSM Malaysia Holdings Berhad Group (MSM) and FGV Group	Interested Major Shareholders • FGV Sugar Sdn Bhd (FGV Sugar) • Koperasi Permodalan Felda Malaysia Berhad (KPF) • FGV Holdings Berhad (FGV) • Federal Land Development Authority (FELDA)	Interested Directors • Dato' Dr Suzana Idayu Wati Osman • Nurul Muhaniza Hanafi • Dato' Mohd Banuri Aris • Dato' Fakhrunniam Othman	Interested Person Connected • Felda Asset Holdings Company Sdn Bhd (FAHC)	Provision of management services	3,571
MSM Malaysia Holdings Berhad Group (MSM) and FGV Prodata	Interested Major Shareholders • FGV Sugar • KPF • FGV • FELDA	Interested Directors • Dato' Dr Suzana Idayu Wati Osman • Nurul Muhaniza Hanafi • Dato' Mohd Banuri Aris • Dato' Fakhrunniam Othman	Interested Person Connected • FAHC	Provision of information technology (IT) services	112
MSM Malaysia Holdings Berhad Group (MSM) and FGV Security	Interested Major Shareholders • FGV Sugar • KPF • FGV • FELDA	Interested Directors • Dato' Dr Suzana Idayu Wati Osman • Nurul Muhaniza Hanafi • Dato' Mohd Banuri Aris • Dato' Fakhrunniam Othman	Interested Person Connected • FAHC	Provision of security services	3,911
MSM Malaysia Holdings Berhad Group (MSM) and FELDA	Interested Major Shareholders • FGV Sugar • KPF • FGV • FELDA	Interested Directors • Dato' Dr Suzana Idayu Wati Osman • Nurul Muhaniza Hanafi • Dato' Mohd Banuri Aris • Dato' Fakhrunniam Othman	Interested Person Connected • FAHC	Office rental Address Level 44, Menara FELDA, Platinum Park No. 11, Persiaran KLCC 50088 Kuala Lumpur, Malaysia Area 15,631 sq ft Duration 23 November 2022 to 22 November 2025 Rental Payment Monthly	860
MSM Malaysia Holdings Berhad Group (MSM) and KPF Niaga	Interested Major Shareholders • FGV Sugar • KPF • FGV • FELDA	Interested Directors • Dato' Dr Suzana Idayu Wati Osman • Nurul Muhaniza Hanafi • Dato' Mohd Banuri Aris • Dato' Fakhrunniam Othman	Interested Person Connected • FAHC	Provision of motor vehicle insurance	(nil)
MSM Malaysia Holdings Berhad Group (MSM) and Felda Travel	Interested Major Shareholders • FGV Sugar • KPF • FGV • FELDA	Interested Directors • Dato' Dr Suzana Idayu Wati Osman • Nurul Muhaniza Hanafi • Dato' Mohd Banuri Aris • Dato' Fakhrunniam Othman	Interested Person Connected • FAHC	Provision of travel and accommodation services	15
MSM Malaysia Holdings Berhad Group (MSM) and Felda D'Saji	Interested Major Shareholders • FGV Sugar • KPF • FGV • FELDA	Interested Directors • Dato' Dr Suzana Idayu Wati Osman • Nurul Muhaniza Hanafi • Dato' Mohd Banuri Aris • Dato' Fakhrunniam Othman	Interested Person Connected • FAHC	Provision of refreshments	120
FGV Group and MSM Malaysia Holdings Berhad Group (MSM)	Interested Major Shareholders • FGV Sugar • KPF • FGV • FELDA	Interested Directors • Dato' Dr Suzana Idayu Wati Osman • Nurul Muhaniza Hanafi • Dato' Mohd Banuri Aris • Dato' Fakhrunniam Othman	Interested Person Connected • FAHC	Sale of refined sugar, molasses, mud cake and other sugar products	953

ADDITIONAL COMPLIANCE INFORMATION

Transacting Parties	Nature of Relationship	Nature of Transaction		Transaction Value for the year ended 31 December 2025 (actual) RM'000	
MSM Malaysia Holdings Berhad Group (MSM) and FGV Transport	Interested Major Shareholders • FGV Sugar • KPF • FGV • FELDA	Interested Directors • Dato' Dr Suzana Idayu Wati Osman • Nurul Muhaniza Hanafi • Dato' Mohd Banuri Aris • Dato' Fakhrunniam Othman	Interested Person Connected • FAHC	Provision of freight forwarder, handling and transportation services	14,200
MSM Malaysia Holdings Berhad Group (MSM) and FGV Integrated Farming Sdn Bhd	Interested Major Shareholders • FGV Sugar • KPF • FGV • FELDA	Interested Directors • Dato' Dr Suzana Idayu Wati Osman • Nurul Muhaniza Hanafi • Dato' Mohd Banuri Aris • Dato' Fakhrunniam Othman	Interested Person Connected • FAHC	Supply and delivery of fast moving consumer goods	19
MSM Malaysia Holdings Berhad Group (MSM) and FGV R&D Sdn Bhd	Interested Major Shareholders • FGV Sugar • KPF • FGV • FELDA	Interested Directors • Dato' Dr Suzana Idayu Wati Osman • Nurul Muhaniza Hanafi • Dato' Mohd Banuri Aris • Dato' Fakhrunniam Othman	Interested Person Connected • FAHC	Provision of research services and technical advice for new product development	282
MSM Malaysia Holdings Berhad Group (MSM) and FELDA	Interested Major Shareholders • FGV Sugar • KPF • FGV • FELDA	Interested Directors • Dato' Dr Suzana Idayu Wati Osman • Nurul Muhaniza Hanafi • Dato' Mohd Banuri Aris • Dato' Fakhrunniam Othman	Interested Person Connected • FAHC	Purchase of livestock	(nil)
MSM Malaysia Holdings Berhad Group (MSM) and FGV Johor Bulkera Sdn Bhd	Interested Major Shareholders • FGV Sugar • KPF • FGV • FELDA	Interested Directors • Dato' Dr Suzana Idayu Wati Osman • Nurul Muhaniza Hanafi • Dato' Mohd Banuri Aris • Dato' Fakhrunniam Othman	Interested Person Connected • FAHC	Rental of storage tank	(nil)

Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

		Group	
Total Income	Remarks	2025 (RM)	2024 (RM)
Revenue		3,094,415,391	3,544,733,141
Other Income		4,075,862	4,253,573
Finance Income		3,747,433	7,068,056
Other	Cash flow hedges	-	28,230
Total		3,102,238,686	3,556,083,000
Total Assets		2,444,054,022	3,186,513,939

ADDITIONAL COMPLIANCE INFORMATION

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 (RM)	2024 (RM)
Insurance income	Insurance claims	1,856,299	1,001,834
Total		1,856,299	1,001,834

(c) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Deposits with licensed bank		186,931,839	158,007,150
Cash at bank (exclude cash in hand)		1,487,088	5,257,644
Cash in hand		9,353	10,193
Total		188,428,280	163,274,988

Conventional Account/Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Deposits with licensed bank		570,000	6,200,000
Cash at bank (exclude cash in hand)		4,554,105	4,154,475
Total		5,124,105	10,354,475

(ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current			
Bank borrowings		803,342,724	742,057,082
Non-Current			
Bank borrowings		52,133,063	151,938,248
Total		855,475,787	893,995,330

Conventional Borrowing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current		N/A	N/A
Non-Current		N/A	N/A
Total		N/A	N/A

STATEMENT ON DIRECTORS’ RESPONSIBILITIES

The Companies Act 2016 requires the Directors to prepare financial statements (which include the consolidated statements of financial position, consolidated statements of comprehensive income and statements of cash flows of the Group and the Company) for each financial year in accordance with Malaysian Accounting Standards Board (MASB) approved accounting standards in Malaysia for entities other than private entities, the provisions of the Companies Act 2016 and the Main Market Listing Requirements (Listing Requirements) of Bursa Malaysia Securities Berhad (Bursa Malaysia), and to lay these before the Company at its Annual General Meeting.

Incorporated on pages 210 to 299 of this Annual Integrated Report, are the financial statements of the Group and the Company for the financial year ended 31 December 2025. The Directors are required by the Companies Act 2016 to prepare Financial Statements for each financial year which give a true and fair view of the financial position of the Group and the Company at the end of the financial year and of the financial performance and cash flows of the Group and the Company for the financial year.

In undertaking the responsibility placed upon them by law, the Directors have relied upon the Group’s system of internal control to provide them with reasonable grounds to believe that the Group’s accounting records, as well as other relevant records, have been maintained in a manner that enables them to sufficiently explain the transactions and financial position of the Group and the Company. This also enables the Directors to ensure that a true and fair consolidated financial position, statement of comprehensive income and cash flow statements are prepared for the financial year to which these financial statements relate.

The Companies Act 2016 also requires the Directors to cause the Company to keep such accounting and other records in such manner that enables the Directors to sufficiently explain the transactions, financial position and performance of the Group and the Company, as well as to enable such accounting records to be audited conveniently and properly.

The Directors also have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities. This Statement was made in accordance with a resolution of the Board of Directors dated 26 March 2026.

FINANCIAL STATEMENTS

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DIRECTORS’ REPORT

DIRECTORS’ REPORT

The Directors hereby submit the annual report to the members together with 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 holding. The principal activities of the subsidiaries are set out in Note 19 to the financial statements.

There has been no significant change in the nature of these activities of the Group and of the Company during the financial year.

FINANCIAL RESULTS

	Group RM’000	Company RM’000
Loss for the financial year	(397,250)	(673,741)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The Board of Directors do not recommend the payment of any dividend in respect of the financial year ended 31 December 2025.

RESERVES AND PROVISIONS

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

DIRECTORS

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

Datuk Syed Hisham Syed Wazir	
Datuk Dr. Abd Hapiz Abdullah	
Dato’ Dr. Suzana Idayu Wati Osman	
Nurul Muhaniza Hanafi	
Dato’ Mohd Banuri Aris	
Tan Chee Beng	(Appointed on 12.09.2025)
Thanneermalai A/L SP SM Somasundaram	(Appointed on 12.09.2025)
Dato’ Fakhrunniam Othman	(Resigned on 28.02.2026)
Dato’ Sri Muthanna Abdullah	(Resigned on 01.07.2025)
Choy Khai Choon	(Retired on 19.06.2025)
Low Chooi Hoon	(Cessation of Office on 19.06.2025)

The names of Directors of subsidiaries are set out in the respective subsidiary’s statutory accounts and the said information is deemed incorporated herein by such reference and made part thereof.

DIRECTORS’ BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits shown under Directors’ Remuneration as disclosed in Note 12 to the financial statements) by reason of a contract made by the Company or a related corporation with the Directors or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling 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’ INTEREST IN SHARES AND DEBENTURES

According to the Register of Directors’ Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its related corporations during the financial year.

AUDITORS’ REMUNERATION

The amount paid or payable as remuneration of the auditors of the Group and of the Company for the financial year ended 31 December 2025 are as follows:

	Group RM’000	Company RM’000
Principal auditors’ remuneration:		
- Current year audit fee	513	201
- Other assurances services	343	343
	856	544

Details of auditors’ remuneration are set out in Note 11 to the financial statements.

DIRECTORS’ REMUNERATION

The details of the Directors’ remuneration for the financial year ended 31 December 2025 are set out below:

	RM’000
Directors’ remuneration:	
- Fees	1,462
- Meeting allowances	538
- Benefits in kind and other benefits	73
	2,073

Details of Directors’ remuneration are set out in Note 12 to the financial statements.

DIRECTORS’ REPORT

DIRECTORS’ REPORT

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains a corporate liability insurance for the Directors and officers of the Group throughout the financial year, which provides appropriate insurance cover for the Directors and officers of the Group. The total amount of insurance premium paid by the Group during the financial year amounted to RM108,010.

There was no indemnity given to or insurance cover for the auditors of the Group and of the Company during the year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

- (a)

to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b)

to ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (a)

which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b)

which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c)

which have arisen and render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve (12) 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 the Company to meet their obligations when they fall due.

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

- (a)

any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b)

any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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 which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (a)

the results of the Group’s and of the Company’s operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than disclosed in Notes 11, 16 and 19 to the financial statements; and
- (b)

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 or the Company for the financial year in which this report is made.

IMMEDIATE HOLDING COMPANY

The Directors regard FGV Holdings Berhad, a company incorporated in Malaysia as the immediate holding company.

ULTIMATE HOLDING BODY

The Directors regard Federal Land Development Authority (“FELDA”), a body set up under the Land Development Act 1956, as the ultimate holding body of the Company.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401 - LCA & AF 1146), have expressed their willingness to continue in office.

This report was approved by the Board of Directors on 26 March 2026.

Signed on behalf of the Board of Directors:



DATUK SYED HISHAM SYED WAZIR
CHAIRMAN



TAN CHEE BENG
DIRECTOR

Kuala Lumpur

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Datuk Syed Hisham Syed Wazir and Tan Chee Beng, two of the Directors of MSM Malaysia Holdings Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 210 to 299 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 of the financial performance and cash flows of the Group and of the Company for the financial year ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution dated 26 March 2026.


DATUK SYED HISHAM SYED WAZIR
CHAIRMAN


TAN CHEE BENG
DIRECTOR

Kuala Lumpur

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Ab Aziz Ismail, the Officer primarily responsible for the financial management of MSM Malaysia Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 210 to 299 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.


AB AZIZ ISMAIL
MIA membership no. 15850

Subscribed and solemnly declared by the abovenamed Ab Aziz Ismail in Kuala Lumpur on 26 March 2026, before me.



COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS’ REPORT

TO THE MEMBERS OF MSM MALAYSIA HOLDINGS BERHAD
(INCORPORATED IN MALAYSIA) REGISTRATION NO. 201101007583 (935722-K)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of MSM Malaysia Holdings Berhad (“the Company”) and its subsidiaries (“the Group”) give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, 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, as set out on pages 210 to 299.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

Key audit matters

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

INDEPENDENT AUDITORS’ REPORT

TO THE MEMBERS OF MSM MALAYSIA HOLDINGS BERHAD
(INCORPORATED IN MALAYSIA) REGISTRATION NO. 201101007583 (935722-K)

INDEPENDENT AUDITORS’ REPORT

TO THE MEMBERS OF MSM MALAYSIA HOLDINGS BERHAD
(INCORPORATED IN MALAYSIA) REGISTRATION NO. 201101007583 (935722-K)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<u>Impairment Assessment of Goodwill</u>	
As at 31 December 2025, the Group has goodwill of RM576.2 million. In accordance with the Group’s accounting policy, the Group undertakes an impairment assessment of goodwill on an annual basis or more frequently whenever events or circumstances indicate that an impairment may exist.	We performed the following procedures on the cash flow projections underlying the VIU to support the impairment assessment of goodwill prepared by the management and approved by the Board of Directors of the Company:
We focused on this area due to the significance of the amount and judgement involved in determining the recoverable amount of the cash generating unit (“CGU”). The recoverable amount of the CGU is based on value-in-use (“VIU”) calculations using a weighted average of probability scenarios of future cash flows and this involved significant degree of judgement in estimating the assumptions used in the calculations, in particular selling price, raw sugar price, utilisation factors, sales volume, freight charges, natural gas price, lease term, terminal value growth rate and discount rate.	• We assessed the reasonableness of the key assumptions used by management which included corroborative and contradictory evidences in the VIU calculations, in particular selling price, raw sugar price, utilisation factors, sales volume, freight charges, natural gas price, terminal value growth rate and discount rate by comparing with business plans, historical results, and market trends;
Based on management’s assessment, no impairment was required as the recoverable amount exceeded the carrying value of goodwill as at 31 December 2025.	• We challenged management on the reasonableness of the probability-weighted scenarios for management bias, by assessing the assumptions which comprised the various scenarios, especially the scenario with the higher probability;
Refer to Note 3(d) in the material accounting policies, Note 5 in the critical accounting estimates and judgement and Note 18 to the financial statements.	• We have checked the reasonableness of the lease term based on the extension option stipulated in the rental contracts and supported by legal opinion, where applicable; • We assessed the reliability of management’s forecast through the review of past trends of actual financial performance against previous forecasted results; • We examined the sensitivity analysis prepared by the management on selling price of products subject to price control as well as the range of possible utilisation factors to evaluate the impact on the impairment assessment; • We assessed the adequacy of the disclosures in relation to impairment assessment of goodwill in the notes to the financial statements.
	Based on our procedures, we noted no material exceptions.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<u>Impairment Assessment of Non-Financial Assets and Cost of Investment with Impairment Indicators</u>	
a) Property, plant and equipment, right-of-use assets and intangible assets other than goodwill	a) We performed the following procedures on the cash flow projections underlying the VIU to support the impairment assessment of property, plant and equipment, right-of-use assets and intangible assets other than goodwill prepared by the management and approved by the Board of Directors of the Company:
The carrying values of property, plant and equipment, right-of-use assets and intangible assets other than goodwill of the Group as at 31 December 2025 is RM783.6 million, RM141.3 million and RM34.8 million respectively.	• We assessed the reasonableness of the key assumptions used by management which included corroborative and contradictory evidences in the VIU calculations, in particular selling price, raw sugar price, utilisation factor, sales volume, freight charges, natural gas price, long term growth rate and discount rate by comparing with business plans, historical results and market trends;
As at 31 December 2025, the Group’s market capitalisation of RM653.8 million was below the carrying value of its net assets of RM1,099.1 million. In addition, there is an increased risk that the pricing framework for the sale of products subject to price control may be rationalised, potentially leading to lower revenue. Furthermore, one of the Group’s refineries, MSM Johor has recorded continuous losses due to its lower than expected utilisation capacity. These have been identified as indicators for impairment for the non-financial assets of the Group.	• We challenged management on the reasonableness of the probability-weighted scenarios for management bias, by assessing the assumptions which comprised the various scenarios, especially the scenario with the higher probability of impairment, where applicable;
Consequently, management performed an impairment assessment on the non-financial assets of the Group. As a result, an impairment loss of RM358 million was recognised at the Group level for property, plant and equipment related to MSM Johor as at 31 December 2025.	• We involved our auditors’ experts, as required, in the evaluation of the key assumptions used to derive the approved VIU calculations in determining the recoverable amounts of the CGU;
We focused on this area as the recoverable amount of the cash generating unit (“CGU”) is based on higher of fair value less cost of disposal (“FVLCD”) and value-in-use (“VIU”) calculations. FVLCD calculations are based on a valuation report obtained from an independent valuer, whereas VIU calculations comprised management’s judgment on the assumptions used in the calculations, in particular selling price, raw sugar price, utilisation factor, sales volume, freight charges, natural gas price, long term growth rate and discount rate.	• We assessed the reliability of management’s forecast through the review of past trends of actual financial performance against previous forecasted results;
Refer to Note 3(k) in the material accounting policies, Note 5 in the critical accounting estimates and judgement and Note 16 to the financial statements.	• We also compared the cashflows used by management is consistent with the cashflows included for the goodwill impairment assessment;

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment Assessment of Non-Financial Assets and Cost of Investment with Impairment Indicators (continued)	
b) The Company’s investment in a subsidiary, MSM Sugar Refinery (Johor) Sdn Bhd (“MSM Johor”) The net carrying value of cost of investment in MSM Johor as at 31 December 2025 is nil as the carrying value were fully impaired during the financial year. We focused on this area due to the magnitude of the carrying amount and the significant estimates and judgement used by management in determining the recoverable amounts of the Company’s investment in MSM Johor. The recoverable amounts of investments in MSM Johor were determined based on the equity value of MSM Johor which are available for distribution as dividends. Arising from the impairment assessment, total impairment losses of RM785.0 million were recorded for the Company’s investment in a subsidiary, MSM Johor. Refer to Note 3(k) in the material accounting policies, Note 5 in the critical accounting estimates and judgement and Note 19 to the financial statements.	b) In regards to the valuation report obtained from the external valuer in determining the FVLCD, we have performed the following: - We assessed the competence, objectivity, and independence of the external valuer who prepared the valuation report used for the FVLCD calculations; and - We evaluated and discussed with the external valuer the valuation methodology and key assumptions used by the external valuer in the valuation based on our knowledge of the industry, with the involvement of our auditors’ experts; In regards to the impairment assessment of property, plant and equipment, right-of-use assets and intangible assets other than goodwill, we have also examined the sensitivity analysis prepared by the management on selling price of products subject to price control as well as the utilisation factor to evaluate the impact on the impairment assessments, and assessed the adequacy of the disclosures in the notes to financial statements. c) In addition to the procedures performed on the cash flows from the property, plant and equipment and right-of-use assets for MSM Johor as described in (a) and (b) above, we performed the following audit procedures for the impairment assessment on the Company’s investment in a subsidiary, MSM Sugar Refinery (Johor) Sdn Bhd (“MSM Johor”): - Agreed the cash flows used to determine the recoverable amount of the investments in a subsidiary to cash flows used to determine the recoverable amount of property, plant and equipment and right-of-use assets which we have assessed in (a) above, where applicable; - We checked the equity value used to determine the recoverable amount of the investments in a subsidiary had been appropriately adjusted for financing and tax cash flows of the subsidiary; and - We assessed the adequacy of the disclosures in the notes to the financial statements; Based on our procedures, we noted no material exceptions.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Assessment of Funding Requirements and Ability to Meet Short term Obligations	
As at 31 December 2025, the Group had short term borrowings of RM803.3 million and payables of RM371.5 million. This resulted in the current liabilities of the Group exceeding the current assets by RM292.2 million at that date. As a result, we focused on the Group’s funding and ability to meet their short-term obligations due to the net current liabilities position mentioned above. In assessing the liquidity position of the Group, the Directors have considered availability of cash flows from operations and existing facilities to meet the investing and financing obligations of the Group for the next 12 months from the date of approval of the financial statements. We focused on this area as significant judgement and estimates are made in arriving at the cashflow forecast for the next 12 months from the date of approval of the financial statements in assessing the ability of the Group to meet its obligations as and when they arise. Refer to Note 4(a) - Financial Risk Management - Liquidity Risk to the financial statements.	We performed the following procedures: - We checked management’s cash flow forecasts for the Group over the next 12 months from the date of the approval of the financial statements to the cash flows approved by the Directors; - We assessed the reasonableness of the key assumptions used in the cash flow forecasts comprising selling price, raw sugar price, utilisation factors, sales volume, freight charges, natural gas price, lease term, terminal value growth rate and discount rate by comparing with business plans, historical results and market trends; - We checked the borrowing repayment terms of the Group against the loan agreements; - In assessing the sources of funding, we have checked to available loan correspondences, loan agreements and financial support from the immediate holding company, FGV Holdings Berhad; - We checked management’s sensitivity analysis on the assumptions used in cash flow forecast to assess the possible changes to key assumptions that would cause a deficit in the cash and bank balances; and - We checked the adequacy of the disclosures in the notes to the financial statements. Based on our procedures, we noted no material exceptions.

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 Directors’ Report, Statements by the Chairman and Group Chief Executive Officer, Corporate Governance Reports (including Audit, Governance and Risk Committee Report and Statement on Risk Management and Internal Control) and other sections of the Annual Integrated Report 2025, which we obtained prior to the date of this auditors’ report, and the Sustainability Statement, which is expected to be made available to us after that date. Other information 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 and will 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 on the other information that we obtained prior to the date of this auditors’ report, 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.

INDEPENDENT AUDITORS’ REPORT

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INDEPENDENT AUDITORS’ REPORT

TO THE MEMBERS OF MSM MALAYSIA HOLDINGS BERHAD
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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of the Directors for the financial statements

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

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

Auditors’ responsibilities for the audit of the financial statements

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

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

- (a)

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.
- (b)

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.
- (c)

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d)

Conclude on the appropriateness of the Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s or on 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.
- (e)

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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors’ responsibilities for the audit of the financial statements (continued)

- (f)

Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

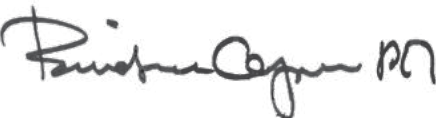
We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

OTHER MATTERS

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



PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
26 March 2026



TAN/ENG HONG
03424/03/2027 J
Chartered Accountant

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	6	3,094,415	3,544,733	151,627	165,940
Cost of sales		(2,960,193)	(3,328,595)	-	-
Gross profit		134,222	216,138	151,627	165,940
Other operating income	7	4,076	4,254	78	6
Selling and distribution expenses		(26,052)	(23,449)	-	-
Administrative expenses		(76,561)	(81,442)	(29,063)	(33,349)
Impairment of investment in a subsidiary	19	-	-	(785,032)	(292,828)
Reversal of impairment of financial assets	8	956	745	-	-
Impairment of non-financial assets	16	(359,961)	-	-	-
Other operating expenses		(14,099)	(3,654)	-	-
Other (losses)/gains, net	9	(499)	(384)	-	-
(Loss)/Profit from operations		(337,918)	112,208	(662,390)	(160,231)
Finance income	10	3,747	7,068	-	-
Finance costs	10	(40,686)	(44,312)	(9,955)	(14,239)
(Loss)/Profit before zakat and taxation	11	(374,857)	74,964	(672,345)	(174,470)
Zakat	13	(1,000)	(1,000)	-	-
Taxation	14	(21,393)	(42,710)	(1,396)	(1,252)
(Loss)/Profit for the financial year		(397,250)	31,254	(673,741)	(175,722)
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss					
Cash flow hedges		-	28	-	28
Total comprehensive (loss)/income for the financial year		(397,250)	31,282	(673,741)	(175,694)
Total (loss)/profit for the financial year attributable to owners of the Company		(397,250)	31,254	(673,741)	(175,722)
Total other comprehensive (loss)/income for the financial year attributable to owners of the Company		(397,250)	31,282	(673,741)	(175,694)
Basic and diluted (loss)/earnings per share attributable to equity holders of the Company (sen)	15	(56.51)	4.45		

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	16	783,558	1,180,241	818	1,175
Right-of-use assets	17	141,267	135,918	2,837	2,829
Intangible assets	18	611,030	614,161	1,956	2,580
Investments in subsidiaries	19	-	-	1,230,992	2,016,024
Lease receivables	20	-	-	78,086	79,269
Deferred tax assets	29	-	-	-	99
		1,535,855	1,930,320	1,314,689	2,101,976
Current assets					
Inventories	22	475,149	762,768	-	-
Receivables	21	239,418	317,955	485	527
Tax recoverable		-	-	-	460
Amounts due from subsidiaries	23	-	-	84,802	59,937
Amounts due from other related companies	23	37	145	-	-
Lease receivables	20	-	-	2,167	2,167
Derivatives financial assets	25	43	1,697	-	-
Deposits, cash and bank balances	26	193,552	173,629	27,339	28,360
		908,199	1,256,194	114,793	91,451
Total assets		2,444,054	3,186,514	1,429,482	2,193,427

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025 (CONTINUED)

		Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Note					
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	27	718,255	718,255	718,255	718,255
Reorganisation deficit	28	(1,039,632)	(1,039,632)	-	-
Merger relief reserve	28	1,733,939	1,733,939	1,733,939	1,733,939
(Accumulated losses)/Retained earnings		(313,454)	83,796	(1,209,998)	(536,257)
Equity attributable to owners of the Company		1,099,108	1,496,358	1,242,196	1,915,937
Non-current liabilities					
Deferred tax liabilities	29	25,770	32,497	202	-
Borrowings	31	52,133	151,938	52,133	151,938
Loans due to a subsidiary	24	-	-	26,170	36,170
Lease liabilities	34	66,670	56,960	2,014	2,180
		144,573	241,395	80,519	190,288
Current liabilities					
Payables	30	371,466	683,129	4,411	6,704
Provision for taxation		6,702	6,286	110	-
Amounts due to subsidiaries	23	-	-	8	11
Amounts due to other related companies	23	7,886	8,437	93	132
Amount due to ultimate holding body	23	169	71	169	70
Amount due to immediate holding company	23	2,427	1,961	963	933
Loans due to a subsidiary	24	-	-	1,604	2,295
Borrowings	31	803,343	742,057	98,471	76,418
Lease liabilities	34	8,380	6,820	938	639
		1,200,373	1,448,761	106,767	87,202
Total liabilities		1,344,946	1,690,156	187,286	277,490
Total equity and liabilities		2,444,054	3,186,514	1,429,482	2,193,427

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Group	Attributable to owners of the Company				
	Share capital (Note 27) RM'000	Reorganisation deficit (Note 28) RM'000	Merger relief reserve (Note 28) RM'000	Retained earnings / (Accumulated losses) RM'000	Total RM'000
2025					
At 1 January 2025	718,255	(1,039,632)	1,733,939	83,796	1,496,358
Loss and total comprehensive loss for the financial year	-	-	-	(397,250)	(397,250)
At 31 December 2025	718,255	(1,039,632)	1,733,939	(313,454)	1,099,108

Group	Attributable to owners of the Company					
	Share capital (Note 27) RM'000	Reorganisation deficit (Note 28) RM'000	Merger relief reserve (Note 28) RM'000	Cash flow hedge reserve (Note 28) RM'000	Retained earnings RM'000	Total RM'000
2024						
At 1 January 2024	718,255	(1,039,632)	1,733,939	(28)	52,542	1,465,076
Profit for the financial year	-	-	-	-	31,254	31,254
Other comprehensive income for the financial year, net of tax:						
Items that may be subsequently reclassified to profit or loss						
- cash flow hedges	-	-	-	28	-	28
Total comprehensive income for the financial year	-	-	-	28	31,254	31,282
At 31 December 2024	718,255	(1,039,632)	1,733,939	-	83,796	1,496,358

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Company	Non-distributable		Accumulated losses	Total
	Share capital (Note 27) RM'000	Merger relief reserve (Note 28) RM'000		
2025				
At 1 January 2025	718,255	1,733,939	(536,257)	1,915,937
Loss and total comprehensive loss for the financial year	-	-	(673,741)	(673,741)
At 31 December 2025	718,255	1,733,939	(1,209,998)	1,242,196

Company	Non-distributable			Accumulated losses	Total
	Share capital (Note 27) RM'000	Merger relief reserve (Note 28) RM'000	Cash flow hedge reserve (Note 28) RM'000		
2024					
At 1 January 2024	718,255	1,733,939	(28)	(360,535)	2,091,631
Loss for the financial year	-	-	-	(175,722)	(175,722)
Other comprehensive income for the financial year, net of tax:					
Item that may be subsequently reclassified to profit or loss					
- cash flow hedges	-	-	28	-	28
Total comprehensive income/(loss) for the financial year	-	-	28	(175,722)	(175,694)
At 31 December 2024	718,255	1,733,939	-	(536,257)	1,915,937

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				
(Loss)/Profit for the financial year	(397,250)	31,254	(673,741)	(175,722)
Adjustments for:				
Taxation	21,393	42,710	1,396	1,252
Depreciation of property, plant and equipment	73,894	71,649	565	671
Depreciation of right-of-use asset	9,686	7,931	777	735
Property, plant and equipment written off	709	918	-	-
Amortisation of intangible assets	4,030	3,678	696	450
Unrealised fair value loss/(gain) on sugar future contracts	1,042	(1,042)	-	-
Unrealised foreign currency exchange translation loss/(gain)	2,566	(1,077)	-	-
Unrealised fair value loss/(gain) on foreign currency exchange forward contracts	612	(998)	-	-
Dividend income	-	-	(133,078)	(100,354)
Interest income	(3,747)	(7,068)	(1,695)	(2,285)
Interest expense	40,686	44,291	9,955	14,218
Impairment loss of investment in a subsidiary (Note 19)	-	-	785,032	292,828
Reversal of impairment of trade and other receivables	(265)	(400)	-	-
Reversal of impairment of amount due from a related company	(691)	(345)	-	-
Provision for onerous sales contracts	11,253	1,119	-	-
Impairment of property, plant and equipment (Note 16)	359,961	-	-	-
Inventories written off	-	944	-	-
Allowance for inventory obsolescence	(350)	(1,444)	-	-
Zakat	1,000	1,000	-	-
Ineffective cash flow hedge	-	21	-	21
Non-cash item from operations	521,779	161,887	663,648	207,536
Operating profit/(loss) before changes in working capital	124,529	193,141	(10,093)	31,814

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Changes in working capital:				
Inventories	287,969	(450,337)	-	-
Receivables	76,351	76,673	163	219
Payables	(313,697)	433,415	(2,293)	2,879
Intercompany	812	4,617	(11,687)	(54,550)
	51,435	64,368	(13,817)	(51,452)
Cash generated from/(used in) operations	175,964	257,509	(23,910)	(19,638)
Zakat paid	(1,000)	(1,000)	-	-
Tax paid	(31,862)	(33,266)	(834)	(120)
Tax refunded	4,158	2,604	309	479
Net cash generated from/(used in) operating activities	147,260	225,847	(24,435)	(19,279)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment (Note 33)	(45,627)	(45,115)	(330)	(232)
Purchase of intangible assets	(899)	(1,161)	(72)	(973)
Interest received	3,747	7,068	711	1,287
Dividend received	-	-	119,988	100,354
Proceeds from lease receivables	-	-	2,167	2,167
Net cash (used in)/generated from investing activities	(42,779)	(39,208)	122,464	102,603

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of loan due to a subsidiary	-	-	(10,000)	(19,465)
Interest paid on loan due to a subsidiary	-	-	(2,295)	(18,760)
Drawdown of borrowings	2,387,887	2,365,763	-	-
Repayment of borrowings	(2,423,880)	(2,597,050)	(75,000)	(67,500)
Principal payment of lease liabilities	(3,765)	(5,562)	(652)	(596)
Interest payment of lease liabilities	(4,188)	(1,468)	(130)	(154)
Interest paid on borrowings	(40,497)	(52,912)	(10,973)	(15,112)
Interest paid on Islamic profit rate swap	-	(40)	-	(40)
Net cash used in financing activities	(84,443)	(291,269)	(99,050)	(121,627)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	20,038	(104,630)	(1,021)	(38,303)
Effect of foreign exchange rate changes	(115)	(61)	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	173,629	278,320	28,360	66,663
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (NOTE 26)	193,552	173,629	27,339	28,360

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Cash flows and non-cash changes in liabilities arising from financing activities are as follows:

Group	At 1 January RM'000	Cash drawdown RM'000	Cash repayment RM'000	Non-cash interest RM'000	Non-cash remeasurement RM'000	At 31 December RM'000
2025						
Islamic term loan	228,356	-	(85,973)	8,221	-	150,604
Bankers' acceptance	665,639	2,387,887	(2,378,404)	29,750	-	704,872
Borrowings	893,995	2,387,887	(2,464,377)	37,971	-	855,476
Lease liabilities	63,780	-	(7,953)	4,188	15,035	75,050
	957,775	2,387,887	(2,472,330)	42,159	15,035	930,526
2024						
Islamic term loan	299,235	-	(82,612)	11,733	-	228,356
Bankers' acceptance	833,931	2,365,763	(2,567,350)	33,295	-	665,639
Borrowings	1,133,166	2,365,763	(2,649,962)	45,028	-	893,995
Lease liabilities	20,558	-	(7,030)	1,468	48,784	63,780
	1,153,724	2,365,763	(2,656,992)	46,496	48,784	957,775

Company	At 1 January RM'000	Cash repayment RM'000	Non-cash interest RM'000	Non-cash remeasurement RM'000	At 31 December RM'000
2025					
Borrowings - Islamic term loan	228,356	(85,973)	8,221	-	150,604
Loan due to a subsidiary	38,465	(12,295)	1,604	-	27,774
Lease liabilities	2,819	(782)	130	785	2,952
	269,640	(99,050)	9,955	785	181,330
2024					
Borrowings - Islamic term loan	299,235	(82,612)	11,733	-	228,356
Loan due to a subsidiary	74,395	(38,225)	2,295	-	38,465
Lease liabilities	3,415	(750)	154	-	2,819
	377,045	(121,587)	14,182	-	269,640

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GENERAL INFORMATION

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

The registered office of the Company is located at Level 21, Wisma FGV, Jalan Raja Laut, 50350 Kuala Lumpur. The principal place of business of the Company is located at Level 44, Menara Felda, Platinum Park, No. 11, Persiaran KLCC, 50088 Kuala Lumpur.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 19 of the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The immediate holding company is FGV Holdings Berhad (“FGVH”), a company incorporated and domiciled in Malaysia.

The ultimate holding body is Federal Land Development Authority (“FELDA”), a body set up under the Land Development Act 1956.

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BASIS OF PREPARATION

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the material accounting policies in Note 3 to the financial statements.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial period.

It also requires Directors to exercise their judgement in the process of applying the Group’s accounting policies. Although these estimates and judgement are based on the Directors’ best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

As at 31 December 2025, the Group was in a net current liabilities position of RM292 million (2024: RM193 million). The immediate holding company, FGV Holdings Berhad, has confirmed its intention to provide continuing financial support as and when necessary to enable the Group to meet its liabilities as they fall due. Therefore, the Directors consider that it is appropriate to prepare the financial statements of the Group on the going concern basis based on the financial support provided by the immediate holding company as disclosed in Note 4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2BASIS OF PREPARATION (CONTINUED)

- (i)

Accounting pronouncements that are effective and have been adopted by the Group and Company:
- The Group and Company have applied the following accounting pronouncements for the first time for the financial year on 1 January 2025:

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Amendment to MFRS 121 ‘Lack of Exchangeability’

The accounting pronouncements listed above did not have significant impact on the amounts recognised in prior periods and did not significantly affect the current or expected to affect future periods.
- (ii)

Accounting pronouncements that are effective after 1 January 2025 and have not been early adopted by the Group and Company:
- A number of new standards and amendments to standards and interpretations are effective for the financial year beginning after 1 January 2025. The Group and Company has not early adopted these new standards and amendments. None of these is expected to have a significant effect on the financial statements of the Group and Company, except for the following set out below:

Effective annual periods beginning on or after 1 January 2027

- MFRS 18 ‘Presentation and Disclosure in Financial Statements’ which aims to enhance the financial reporting quality and replaces MFRS 101 ‘Presentation of Financial Statements’. The new standard introduces a new structure of profit or loss statement whereby income and expenses are classified into 3 new main categories:
- i.

Operating category which typically includes results from the main business activities

ii.

Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and

iii.

Financing category that presents income and expenses from financing liabilities (such as bank borrowings and lease liabilities)
- The standard also requires the entity to present specific totals and subtotals in the statement of profit or loss, specifies the disclosure of management-defined performance measures as well as the aggregation and disaggregation of information in the financial statements and accompanying notes.
- MFRS 18 will be applied retrospectively. The Group and Company is currently assessing the financial impact that may arise from the adoption of the above amendments to published standards.

2BASIS OF PREPARATION (CONTINUED)

- (ii)

Accounting pronouncements that are effective after 1 January 2025 and have not been early adopted by the Group and Company: (continued)
- The following accounting pronouncements are currently being assessed by the Group and the Company and are not expected to have any significant impact on the financial statements of the Group and Company.
- Effective annual periods beginning on or after 1 January 2026

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Amendments to MFRS 9 & 7 on Amendments to Classification and Measurement of Financial Instruments

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Amendments to MFRS 9 & 7 on Contracts Referencing Nature-dependent Electricity

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Annual Improvement to MFRS Accounting Standards for enhance consistency
- Effective annual periods beginning on or after 1 January 2027

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MFRS 19 ‘Subsidiary without Public Accountability: Disclosures’ (effective 1 January 2027)

3MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group and the Company, unless otherwise stated.

- (a)

Basis of consolidation and investment in subsidiaries

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to the end of financial year. Subsidiaries are all entities, including structured entities, controlled by the Company. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Investments in subsidiaries are measured in the Company’s statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

All intercompany transactions are eliminated on consolidation and revenue and profits relate to external transactions only. Unrealised losses resulting from intercompany transactions are also eliminated unless cost cannot be recovered.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

- (a) Basis of consolidation and investment in subsidiaries (continued)

Acquisition accounting

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group when the acquired set of activities and asset meet the definition of a business. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of the non-controlling interests. The Group recognises any non-current controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. At the end of reporting period, non-controlling interests consists of amount calculated on the date of combinations and its share of changes in the subsidiary's equity since the date of combination.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss (Note 3(d)).

Predecessor accounting

Acquisitions of subsidiaries and businesses under common control that meet the conditions of a merger are accounted for using the predecessor basis of accounting.

Under the predecessor basis of accounting, the results of subsidiaries and businesses under common control are presented as if the business combination had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the business combination is cancelled with the values of the shares received. Any resulting credit or debit difference is classified as reorganisation reserve. Any share premium, capital redemption reserve and any other reserves which are attributable to share capital of the combined entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated, unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency with the policies adopted by the Group.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

- (a) Basis of consolidation and investment in subsidiaries (continued)

Predecessor accounting (continued)

Non-controlling interests is the equity in a subsidiary not attributable, directly or indirectly, to a parent. On an acquisition-by-acquisition basis, the Group measures any non-controlling interests in the acquiree at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. At the end of reporting period, non-controlling interests consists of amount calculated on the date of combinations and its share of changes in the subsidiary's equity since the date of combination.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences or other reserves that relate to the subsidiary and is recognised in profit or loss.

All earnings and losses of the subsidiary are attributed to the parent and the non- controlling interests, even if the attribution of losses to the non-controlling interests results in a debit balance in the non-controlling interests.

In the Company's financial statements, investments in subsidiaries are shown at cost less accumulated impairment losses.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount (Note 3(f)).

- (b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

- (c) Loss of control

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

- (d) Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries over the Group's share of the fair value of their identifiable net assets including contingent liabilities at the date of acquisition. Goodwill on acquisition in respect of a subsidiary is included in the consolidated statement of financial position as intangible assets.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed. See material accounting policies Note 3(k) on impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Intangible assets

Intangible assets other than goodwill are measured on initial recognition at cost. The costs of intangible assets acquired in a business combination are their fair values as at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is recognised in the profit or loss on a straight-line basis over the estimated economic useful lives.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. If such an indication exists, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. See material accounting policies Note 3(k) on impairment of non-financial assets.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each statement of financial position date.

Intangible assets with indefinite useful lives and intangible assets under development are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

Intangible assets are amortised using the straight line basis over their estimated useful lives as follows:

<u>Intangible assets</u>	<u>Estimated useful lives</u>
Brand	25 years
Software	3 - 5 years

Amortisation on intangible assets under development commences when the assets are ready for their intended use.

The nature of the intangible assets are as follows:

- (i) Brand is related to a sugar brand ‘Prai’ acquired as part of the acquisition of the sugar business.
- (ii) Software relates to information technology (“IT”) used within the Group.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets

A financial instrument is recognised in the statement of financial position when, and only when, the Group or the Company become a party to the contractual provisions of the instrument.

Classification

Financial assets are classified as measured at amortised cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”), as appropriate.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s and the Company’s business model for managing them.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (“FVOCI”).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(a) Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

(i) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss, together with foreign exchange gains and losses. Impairment losses are presented as separate line item in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets (continued)

Measurement (continued)

(a) Debt instruments (continued)

(ii) FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are recognised in profit or loss and impairment expenses are presented as separate line item in profit or loss.

(iii) FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

(b) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

(a) Impairment for debt instruments

The Group and the Company assess on a forward-looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and the Company's financial instruments that are subject to the ECL model are as follows:

-
- Receivables (excluding advance payments and prepayments)

• Lease receivable

• Loans and amounts due from subsidiaries/other related companies/holding company

• Financial assets at fair value through other comprehensive income

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets (continued)

Impairment (continued)

(a) Impairment for debt instruments (continued)

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

-
- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

• the time value of money; and

• reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(i) General 3-stage approach for other receivables, loans and amount due from subsidiaries and related companies that are non-trade related

At each reporting date, the Group and Company measure ECL through loss allowance at an amount equal to 12 month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

The Company applies MFRS 9 general 3 stage approach to measure ECL which uses a lifetime expected loss allowance for lease receivables carried at amortised cost. The ECL rates is based on the probability of recovery of the receivable within one year or more than a year. Based on management assessment, there is no additional loss allowance identified for lease receivables.

The measurement details of ECL are disclosed in the relevant notes to the financial assets.

(ii) Simplified approach for trade receivables and amounts due from subsidiaries and related companies that are trade related

The Group and Company apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and amounts due from subsidiaries and related companies that are trade related.

The measurement details of ECL are disclosed in the relevant notes to the financial assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3

MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f)

Financial assets (continued)

Impairment (continued)

(b)

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are incorporated:

- External credit rating (as far as available).
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations.
- Actual or expected significant changes in the operating results of the debtor.
- Significant increases in credit risk on other financial instruments of the same debtor.
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor.

Macroeconomic information (such as commodity prices, market interest rates or growth rates) is incorporated as part of the internal rating model as applicable.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

(c)

Definition of default and credit-impaired financial assets

The Group defines a financial instrument as default, which is fully aligned with the definition of credit-impaired when it meets one or more of the following criteria:

Quantitative criteria:

The Group defines a financial instrument as default, when the counterparty fails to make contractual payment within 180 days of when they fall due.

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group considers the following instances:

- the debtor is in breach of financial covenants.
- concessions have been made by the lender relating to the debtor's financial difficulty.
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.
- the debtor is insolvent.

Financial instruments that are credit-impaired are assessed on an individual basis.

3

MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f)

Financial assets (continued)

Impairment (continued)

(d)

Groupings of instruments for ECL measurement

(i)

Collective assessment

To measure ECL, trade receivables arising from the Group have been grouped based on the days past due and shared credit risk characteristics as follows:

- (i) Geographical region of customers
- (ii) Customer division
- (iii) Related company and external customers
- (iv) Other shared credit risks

The contract assets relate to amounts due from customers on contracts and unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

(ii)

Individual assessment

Trade receivables which are in default or credit-impaired are assessed individually.

Other receivables, loans and amount due from intercompany, are assessed on individual basis for ECL measurement, as credit risk information is obtained and monitored separately.

(e)

Write-off

(i)

Trade receivables

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Impairment losses on trade receivables are presented as net impairment losses on the face of profit or loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

(ii)

Other debt instruments

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on the unavailability of the debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets (continued)

Impairment (continued)

(f) Subsidiaries

An impairment loss is recognised for the amount by which the carrying amount of the subsidiary exceeds its recoverable amount. The recoverable amount is higher of an asset’s fair value less costs of disposal and value-in-use. Any subsequent increase in recoverable amount is recognised in profit or loss.

(g) Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method except for derivatives in a loss position, if any, which are measured through profit or loss.

For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Gains or losses arising from changes in the fair value of derivatives are recognised in profit or loss within other gains/losses, net. Net gains or losses on derivatives include exchange differences.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Foreign exchange differences are capitalised to the extent of the capitalisation of the related borrowing costs.

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another 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 the derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(i) Property, plant and equipment

Property, plant and equipment are initially stated at cost. All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

To the extent a legal or constructive obligation to a third party exists, the acquisition cost includes estimated cost of dismantling and removing the assets are restoring the site.

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 item will flow to the Group and the cost of the item 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 period in which they are incurred.

Major spare parts, stand-by equipment and servicing equipment are classified as property, plant and equipment rather than inventory when they are expected to be used during more than one period.

Freehold land is not depreciated as it has an infinite useful life and assets under construction are not depreciated until when the assets are ready for their intended use.

All property, plant and equipment are depreciated on a straight line basis to write off the cost of each asset to their residual values over their estimated useful lives as follows:

Principal annual rates used are summarised as follows:

Property, plant and equipment	Estimated useful lives
Buildings	20 - 25 years
Plant and machinery	3 – 20 years
Furniture, fittings, equipment and motor vehicles	3 – 11 years

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. The effects of any revision of the residual values and useful lives are included in profit or loss for the financial year in which the changes arise.

Depreciation on property, plant and equipment ceases at the earlier of derecognition and classification as held for sale. Depreciation on assets under construction commences when the assets are ready for their intended use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in “other operating income” in profit or loss.

At each statement of financial position date, the Group assess whether there is any indication of impairment. If such an indication exists, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3

MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j)

Inventories

Inventories which consist of raw materials, work-in-progress, finished goods, molasses and consumables are stated at lower of cost and net realisable value.

Cost is determined on the weighted average cost basis. Raw material cost comprises the landed cost of goods purchased and in the case of work-in-progress and finished goods, includes materials, direct labour, other direct charges and an appropriate proportion of factory overheads. Consumables comprise the actual purchase costs.

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

(k)

Impairment of non-financial assets

Assets that have an indefinite useful life for example goodwill or intangible asset not ready to use, are not subject to amortisation and are tested annually for impairment, or when events or circumstances occur indicating that impairment may exist. Property, plant and equipment and other non-current non-financial assets, including intangible assets with definite useful lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount.

The impairment loss is charged to profit or loss. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Impaired assets, except goodwill, are reviewed for possible reversal of impairment at each reporting date and is recognised in profit or loss.

The reversal is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised.

(l)

Current and deferred income taxes

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current and deferred tax is measured using the tax rates that have been enacted or substantively enacted at the statement of financial position date in the countries where the Group’s subsidiaries operate generate taxable income.

Deferred tax is provided for on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised.

Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3

MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m)

Zakat

The Group recognises its obligations towards the payment of zakat on business. Zakat for the current period is recognised as and when the Group has a current zakat obligation as a result of zakat assessment. The amount of zakat expense shall be assessed when a company within the Group has been in operation for at least 12 months, i.e. for the period known as “haul (eligible period)”.

Zakat expense is determined based on the Group’s financial results for the year. The amount of zakat paid is recognised as an expense in the financial year in which it is incurred.

(n)

Foreign currencies

In preparing the financial statements of individual entities in the Group, transactions in currencies other than the Group and the Company’s functional currency (“foreign currency”) are translated to the functional currencies at rates of exchange ruling on the transaction dates.

Monetary assets and liabilities denominated in foreign currencies at the reporting date have been retranslated to the functional currency at rates ruling on the reporting date.

The Group and the Company’s functional and presentation currency is Ringgit Malaysia (“RM”).

Functional and presentation currency

Items included in the financial statements of the each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is the Group and the Company’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in equity as qualifying cash flow hedges ad qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss. Foreign exchange gains and losses related to foreign currency forward contracts are presented in profit or loss within “other (losses)/gains – net”.

Group companies

The results and financial position of all Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i)
- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii)
- income and expenses for each statement of comprehensive income are translated at average rate (unless this average is not reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii)
- all resulting exchange differences are recognised in the foreign exchange reserve as a separate component of equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

- (o) Revenue recognition
- (i) Revenue from contracts with customers
- Sales of goods

The Group’s revenue which represents income arising in the course of the Group’s and the Company’s ordinary activities is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group and the Company transfer the control of the goods and services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at point in time.

A contract with customer exists when the contract has commercial substance, the Group, the Company and their customers have approved the contract and intend to perform their respective obligations, the Group’s, the Company’s and the customer’s rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group and the Company will collect the consideration to which it will be entitled to in exchange of those goods or services.

Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties such as sales and service taxes or goods and service tax. If the amount of consideration varies due to discounts, rebates, penalties or other similar items, the Group and the Company estimate the amount of consideration that it expects to be entitled based on the expected value method or the most likely outcome but the estimation is constrained up to the amount that is highly probable of no significant reversal in the future. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or service promised in the contract.

The Group sells refined sugar, liquid sugar, sugar premix, raw sugar and molasses in connection to the sugar operation.

Revenue from sales of goods from the sugar operation and plantation are recognised net of discount and taxes at the point in time when control of the goods has transferred to the customer. Depending on the terms of the contract with the customer, control transfers either upon delivery or shipment of goods to the specific location agreed with the customer, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

- (o) Revenue recognition (continued)
- (i) Revenue from contracts with customers (continued)
- Sales with a right of return

When the customer has a right to return the goods within a given period, the Group is obliged to refund the purchase price. Revenue is adjusted for the expected value of the returns and cost of sales are adjusted for the value of the corresponding goods expected to be returned.

A refund liability for the expected refunds to customers is recognised as adjustment to revenue and correspondingly in trade and other payables. At the same time, the Group has a right to recover the goods from the customer where the customer exercises his right of return and recognises a refund asset and a corresponding adjustment to cost of sales the refund asset is measured by reference to the former carrying amount of the product.

Accumulated experience is used to estimate such returns at the time of sale at a portfolio level using the expected value method. Because the number of goods returned has been steady for years, management assessed that it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

- Revenue from rendering services

Revenue from rendering services including management fees are recognised when the services are performed by reference to completion of the specific services.

Transportation services performed after the transfer of control of sales of goods from the sugar operation to customers are regarded as a separate performance obligation and recognised over time depending on the terms of the contract.

- Receivables, contract asset and contract liabilities

A receivable is recognised when the goods are delivered or services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

- Contract cost

During the previous financial year, the Group has elected the practical expedient to recognise incremental contract cost of obtaining contract with period of less than one year as an expense when incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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MATERIAL ACCOUNTING POLICIES (CONTINUED)

- (o)Revenue recognition (continued)
- (ii)Revenue from other sources
- Specific revenue recognition criteria for other revenue and income earned by the Group are as follows:

(a)Incentive from Government

Incentive received from the Government of Malaysia for certain products sold relates to the difference between estimated market price and the controlled price determined by the Government for sale of packed sugar in the domestic market, limited to the amount agreed with the Government on a monthly basis. This subsidy is credited to the profit or loss and recognised as part of revenue from other sources in the accounting period in which the corresponding sales of goods are recognised.

•Specific revenue recognition criteria for other revenue and income earned by the Company are as follows:

(a)Rental income - recognised on a straight-line basis over the lease terms.

(b)Finance income - recognised using effective interest method.

Finance income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(c)Dividend income

Dividend income from investments are recognised in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits.

Dividends that clearly represents a recovery of part of the cost of an investment is recognised in other comprehensive income if it relates to an investment in equity instruments measured at FVOCI.
- (p)Dividend distribution
- Dividends on ordinary shares are recognised as liabilities when proposed or declared before the statement of financial position date. A dividend proposed or declared after the statement of financial position date, but before the financial statements are authorised for issue, is not recognised as a liability at the reporting date.
- (q)Cash and cash equivalents
- For the purpose of the statement of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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MATERIAL ACCOUNTING POLICIES (CONTINUED)

- (r)Leases
- The Group and the Company as a lessee

Leases are recognised as a right-of-use (“ROU”) asset and a corresponding liability at the date at which the leased asset is available for use by the Group and the Company.

(a)ROU assets

ROU assets are measured at cost comprising the following:

•the amount of the initial measurement of lease liability;

•any lease payments made at or before the commencement date less any lease incentives received;

•any initial direct costs; and

•decommissioning or restoration costs.

The ROU asset is depreciated over the shorter of the right-of-use asset’s useful life and the lease term on a straight-line basis, as follows:

ROU assets	Estimated useful lives
Leasehold land	66 to 99 years
Buildings	3 to 60 years
Forklift	3 to 5 years

The ROU assets are adjusted for certain re-measurement of the lease liability.

At each statement of financial position date, the Group assesses whether there is any indication of impairment. If such an indication exists, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount. See material accounting policies Note 3(k) on impairment of non-financial assets.

(b)Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

•Fixed payments (including in-substance fixed payments), less any lease incentive receivable;

•Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date, if any;

•Amounts expected to be payable by the Group under residual value guarantees;

•The exercise price of a purchase and extension options if the Group is reasonably certain to exercise that option, if any; and

•Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option, if any.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee’s incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU assets in a similar economic environment with similar term, security and conditions.
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(r) Leases (continued)

The Group and the Company as a lessee (continued)

(b) Lease liabilities (continued)

Lease payments are allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The Group presents the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in the statement of profit or loss.

(c) Lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The Group reassesses the lease term upon the occurrence of a significant event or change in circumstances that are within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in the determination of the lease term, or not to exercise an option previously included in the determination of lease term. A revision in the lease term results in the re-measurement of the lease liabilities (refer to (d) below).

(d) Reassessment of lease liabilities

The Group initially estimates and recognises amounts expected to be payable under residual value guarantees as part of the lease liability. The amounts are reviewed and adjusted if appropriate, at the end of each reporting period.

A change in lease payments including rent concession, other than those arising from a change in amounts expected to be payable under residual value guarantees or in an index or rate used to determine lease payments, is accounted for as a lease modification if it is not part of the original terms and conditions of the lease. The lease modification is accounted for as either a new lease or as a re-measurement of an existing lease liability, depending on the criteria set in MFRS 16.

(e) Short-term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less, which cost less than RM20,000 each if purchased new. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

The Group and the Company do not separate any non-lease components from lease components and instead account for each lease component and any associated non-lease components as a single lease component.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(r) Leases (continued)

The Group and the Company as a lessor

As a lessor, the Company determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(a) Finance leases

The Company classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Company derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from the lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investments are subject to MFRS 9 impairment. In addition, the Company reviews regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method to reflect a constant periodic rate of return. The Company revises the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

(b) Sublease classification

When the Company is an intermediate lessor, it assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease, then it classifies the sublease as an operating lease.

(s) Contingent liabilities

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence and non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However contingent liabilities do not include financial guarantee contracts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Provisions

Provisions are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- a reliable estimate of the amount can be made.

Where the Group expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as finance cost.

(u) Onerous contracts

The Group recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

(v) Non-current assets held for sale

Non-current assets are classified as assets held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for sale in its immediate condition. Management must be committed to the sale, which should be expected within one year from the date of classification as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are re-measured in accordance with the Group’s accounting policies. Thereafter, the assets (or disposal group) are recognised at the lower of their carrying amount and fair value less cost to sell. Assets classified as held for sale, or included within a disposal group that is classified as held for sale, are not depreciated. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are included in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

A discontinued operation is a component of the Group’s business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. A disposal group that is to be abandoned may also qualify.

Results from operations qualifying as discontinued operations are presented separately as a single amount on profit or loss. Results from operations qualifying as discontinued operations as of the balance sheet date for the latest period presented, that have previously been presented as results from continuing operations, are represented as results from discontinued operations for all periods presented.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(v) Non-current assets held for sale (continued)

In case conditions for classification of non-current assets and disposal groups as held for sale are no longer met, classification as held for sale ceases. Accordingly, results of operations, previously presented in discontinued operations, are reclassified and included in results from continuing operations for all periods presented. Non-current assets that cease to be classified as held for sale are re-measured at the lower of their carrying amount before classification as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset or disposal group not been classified as held for sale, and its recoverable amount at the date of the subsequent decision to sell.

(w) Earnings per share

The Group presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated based on the consolidated profit after taxation attributable to equity shareholders of the Company and divided by the weighted number of ordinary shares in issue.

(x) Fair value measurement

The fair value measurement prescribes that the fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

(y) Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and the nature of the item being hedged. The Group designates certain derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 25 to the financial statements. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

(z) Segment reporting

The Group has identified the sugar business as its sole operating segment.

Segment information is not presented as the Group is primarily engaged in the sugar business whereby the measurement of profit or loss used by the chief operating decision maker is on a Group basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

4 FINANCIAL RISK MANAGEMENT

(a) Financial risk management policies

The Group is exposed to market risk (including foreign currency exchange risk, commodity price risk and finance rate risk), credit risk and liquidity risk arising from its business activities. The Group’s overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group’s financial performance. The Group uses relevant derivative financial instruments to hedge the risk of such commercial exposure and ensure the implementation risk action plans to effectively mitigate the risks. Such derivatives financial instruments are generally not held for trading as speculative purposes.

The Board of Directors has overall responsibility for the oversight of financial risk management which includes risk identification, operational or strategic, and the subsequent action plans to manage these risks. Management is responsible for identifying, monitoring and managing the Group’s risk exposures.

Market risk

(i) Foreign currency exchange risk

The Group operates internationally and is exposed to foreign currency exchange risk arising from various currency exposures, primarily with respect to the United States Dollar (“USD”).

The Group manages its currency exposure through foreign currency forward contracts.

As at 31 December 2025, a 10% weakening/strengthening of the USD against Malaysia Ringgit (“RM”) at the date of statement of financial position would decrease/increase the Group’s loss after tax of approximately RM1,826,000 (2024: RM7,858,000).

The above exposure mainly as a result of foreign exchange gains/losses on translation of receivables, payables and bank balances. The analysis assumes that all other variables remain constant.

(ii) Commodity price risk

The Group is exposed to raw sugar prices which are subject to fluctuations due to unpredictable factors such as weather, change of global demand and global production.

Management is responsible for managing the Group’s exposure to raw sugar input cost against selling prices of refined sugar set by the Government. Management meets regularly to review their raw sugar requirements and price trends and then decides when to buy and price raw sugar consignments so that a refining margin is locked to ensure budgeted profits are met. In addition, the Group enters into New York 11 raw sugar future contracts to manage its raw sugar purchase cost.

A sensitivity analysis has been performed based on the Group’s exposure to sugar futures as at year end. If price of raw sugar increases or decreases by 25% (2024: 10%) with all other variables held constant, the Group’s loss after tax and equity would decrease or increase by RM18,037,000 (2024: profit after tax and equity would increase or decrease by RM13,475,000).

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management policies (continued)

Market risk (continued)

(iii) Finance rate risk

The Group’s finance rate risk mainly arises from term loans. Term loans issued at variable rates expose the Group to cash flow finance rate risk.

The Company has been in constant engagement with its lender to manage its finance rate risk and has been advised that the current KLIBOR is still being referenced for its borrowings. The Company has also been informed that currently, the lender shall be guided by further announcement by Bank Negara Malaysia (BNM) on the timeline for the migration to the alternative reference rate (ARR) upon the cessation of the current KLIBOR rate. Upon the issuance of the guidelines, the lenders will engage the Company on the transition plan.

The finance rate profile of the Group’s and the Company’s finance bearing financial assets, based on carrying amounts as at the end of the financial year was:

	Group		Company	
	2025 RM’000	2024 RM’000	2025 RM’000	2024 RM’000
Financial assets				
At fixed rate:				
Fixed deposits	187,502	164,207	27,281	28,249

The finance rate profile of the Group’s and the Company’s finance bearing financial liabilities, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2025 RM’000	2024 RM’000	2025 RM’000	2024 RM’000
Financial liabilities				
At fixed rate:				
Borrowings	704,872	665,639	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

4

FINANCIAL RISK MANAGEMENT (CONTINUED)

(a)

Financial risk management policies (continued)

Market risk (continued)

(iii)

Finance rate risk (continued)

The finance rate profile of the Group’s and the Company’s finance bearing financial liabilities, based on carrying amounts as at the end of the reporting period was: (continued)

	Group		Company	
	2025 RM’000	2024 RM’000	2025 RM’000	2024 RM’000
Financial liabilities (continued)				
At floating rate (exposed to cash flow finance rate risk):				
Borrowings	150,604	228,356	150,604	228,356
Loan due to a subsidiary	-	-	27,774	36,170
	150,604	228,356	178,378	264,526
	855,476	893,995	178,378	264,526

If finance rates on its floating rate financial liabilities increased/decreased by 30 basis points (2024: 10 basis points) with all other variables held constant, the loss after tax of the Group will increase/decrease by RM343,000 (2024: profit after tax of the Group will decrease/increase by RM174,000).

If finance rates on its floating rate financial liabilities increased/decreased by 30 basis points (2024: 10 basis points) with all other variables held constant, the profit after tax of the Company will decrease/increase by RM407,000 (2024: profit after tax of the Company will decrease/increase by RM201,000).

Other financial assets and financial liabilities are non-finance bearing, and therefore are not affected by changes in finance rates.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures from outstanding receivables.

The Group adopts the policy of dealing with customers with an appropriate credit history, and obtaining sufficient security where appropriate, including payments in advance, security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

4

FINANCIAL RISK MANAGEMENT (CONTINUED)

(a)

Financial risk management policies (continued)

Credit risk (continued)

Receivables, amounts due from subsidiaries and other related companies’ exposure are closely monitored and continuously followed up.

The Group’s deposits, cash and bank balances were largely placed with major financial institutions in Malaysia. The Directors are of the view that the possibility of non-performance by these financial institutions, including those non-rated financial institutions, is remote on the basis of their financial strength.

(a)

Impairment of financial assets

The Group’s financial assets that are subject to the expected credit loss (ECL) model include trade and other receivables. While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the impairment loss is expected to be immaterial.

(i)

Trade receivables, lease receivable, amounts due from subsidiaries and related companies that are trade related using simplified approach

The Group applies the MFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. No significant changes to estimation techniques or assumptions were made during the reporting period.

(ii)

Other receivables, loans and amounts due from immediate holding company, subsidiaries and other related companies that are non-trade related using general 3-stage approach

The Group uses three categories for other receivables which reflect their credit risk and how the loss allowance is determined for each of those categories (3 stage approach). These financial assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 365 days past due.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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FINANCIAL RISK MANAGEMENT (CONTINUED)

- (a)
- Financial risk management policies (continued)

Credit risk (continued)

- (a)
- Impairment of financial assets (continued)

- (ii)
- Other receivables, loans and amounts due from immediate holding company, subsidiaries and other related companies that are non-trade related using general 3-stage approach (continued)

A summary of the assumptions underpinning the Group's ECL model is as follows:

<u>Category</u>	<u>Group's definition of category</u>	<u>Basis for recognising ECL</u>
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows	12 month ECL
Underperforming	Debtors for which there is a significant increase in credit risk or significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime ECL
Non-performing	Interest and/or principal repayments are 180 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL (credit-impaired)
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount	Asset is written off

Inter-company balances

The Company provided unsecured loans to subsidiaries. The Company monitors the results of the subsidiaries regularly.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position and there was no indication that the loans to the subsidiaries are not recoverable.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations due to shortage of funds. The Group maintains a sufficient level of cash and cash equivalents to meet the Group's working capital requirements by closely monitoring its cash flows.

Cash flow forecasting is performed in the operating entities of the Group and then aggregated by management. Management monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

4

FINANCIAL RISK MANAGEMENT (CONTINUED)

- (a)
- Financial risk management policies (continued)

Liquidity risk (continued)

As disclosed in Note 31 to the financial statements, the Company would not have complied with one of the financial covenants for its Islamic term loan. The Company had received a Supplemental Letter dated 31 December 2025 from the lender granting the waiver on two out of three financial covenants i.e. Consolidated Net Debt and Financing to EBITDA Ratio and Consolidated Finance Payment Cover Ratio for the financial year ended 31 December 2025. The Company will continue to monitor the compliance of the financial covenants and will engage the lenders as and when required.

The Directors are of the view that, based on the assumptions presented by management of the Company, there are reasonable grounds that the Group will have sufficient cash flows for the next twelve months from the financial statements approval date to meet their cash flow requirements, and there is no material uncertainty on its ability to continue as a going concern despite the net current liabilities position of the Group as at 31 December 2025. The Group's cash requirements for at least the next twelve months from the financial statements approval date primarily include operational requirements, capital expenditure for the Group's refineries and repayment of loan facilities and tax liabilities. In preparing the cash flow forecast, the Group expects to fund its obligations via cash inflows from sale of sugar products and revolving facilities. If required, the Group may continue to draw upon the availability of unutilised trade lines from its lenders and trade lines under subsidiaries of FGV Holdings Berhad. In addition, FGV Holdings Berhad has also confirmed its intention to provide continuing financial support to the Group as and when necessary to enable the Group to meet its liabilities as they fall due including the Company's Islamic Term Loan obligations. The financial support given by FGV Holdings Berhad covers a period of at least twelve months from the date of the support letter, 26 March 2026.

The Company plans to manage its liquidity risk by receiving income in the form of dividends and management fees from its subsidiaries and to restructure the repayment of loan due to a subsidiary to meet its obligations over the next twelve months.

Surplus cash is invested in profit bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts. At the reporting date, the Group held cash investments of RM187,502,000 (2024: RM164,207,000) and other liquid assets of RM6,050,000 (2024: RM9,422,000) that are expected to readily generate cash inflows for managing liquidity risk. At the reporting date, the Company held cash investments of RM27,281,000 (2024: RM28,249,000) and other liquid assets of RM58,000 (2024: RM111,000) that are expected to readily generate cash inflows for managing liquidity risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management policies (continued)

Liquidity risk (continued)

The table below analyses the Group's and the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining maturity periods at the reporting date to the contractual maturity dates. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The table below summarises the maturity profile of the Group's and Company's financial liabilities based on the remaining maturity periods at the statement of financial position date. The amounts disclosed in the table are based on contractual undiscounted cash flows.

Group	Less than 1 year RM'000	Between 1 and 2 years RM'000	Between 2 and 5 years RM'000	Over 5 years RM'000	Total RM'000
<u>At 31 December 2025</u>					
Payables	371,466	-	-	-	371,466
Amounts due to other related companies	7,886	-	-	-	7,886
Amount due to immediate holding company	2,427	-	-	-	2,427
Amount due to ultimate holding body	169	-	-	-	169
Borrowings	813,140	52,466	-	-	865,606
Lease liabilities	7,443	7,090	17,854	86,271	118,658
Total undiscounted financial liabilities	1,202,531	59,556	17,854	86,271	1,366,212
<u>At 31 December 2024</u>					
Payables	677,165	-	-	-	677,165
Amounts due to other related companies	8,437	-	-	-	8,437
Amount due to immediate holding company	1,961	-	-	-	1,961
Amount due to ultimate holding body	71	-	-	-	71
Borrowings	751,836	103,508	52,511	-	907,855
Lease liabilities	10,099	7,815	21,332	127,366	166,612
Total undiscounted financial liabilities	1,449,569	111,323	73,843	127,366	1,762,101

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management policies (continued)

Liquidity risk (continued)

Company	Less than 1 year RM'000	Between 1 and 2 years RM'000	Between 2 and 5 years RM'000	Over 5 years RM'000	Total RM'000
<u>At 31 December 2025</u>					
Payables	4,411	-	-	-	4,411
Amounts due to subsidiaries	8	-	-	-	8
Amounts due to other related companies	93	-	-	-	93
Amount due to immediate holding company	963	-	-	-	963
Amount due to ultimate holding body	169	-	-	-	169
Loan due to a subsidiary	2,777	7,044	21,639	-	31,460
Borrowings	103,207	52,466	-	-	155,673
Lease liabilities	938	1,125	1,125	-	3,188
Total undiscounted financial liabilities	112,566	60,635	22,764	-	195,965
<u>At 31 December 2024</u>					
Payables	5,449	-	-	-	5,449
Amounts due to subsidiaries	11	-	-	-	11
Amounts due to other related companies	132	-	-	-	132
Amount due to immediate holding company	933	-	-	-	933
Amount due to ultimate holding body	70	-	-	-	70
Loan due to a subsidiary	4,013	7,562	27,480	6,178	45,233
Borrowings	86,197	103,508	52,511	-	242,216
Lease liabilities	763	825	1,513	-	3,101
Total undiscounted financial liabilities	97,568	111,895	81,504	6,178	297,145

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

4

FINANCIAL RISK MANAGEMENT (CONTINUED)

(b)

Capital risk management policies

The Group's and the Company's primary objectives on capital management policies are to safeguard the Group's and the Company's ability to maintain healthy capital ratios to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group and the Company manage its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 31 December 2025 and 31 December 2024.

The Group considers its debts and equity attributable to owners of the Company as capital and monitor capital using gearing ratio. This ratio is calculated as net debt divided by total capital of the Group and of the Company. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position), lease liabilities and loan due to a subsidiary less deposits, cash and bank balances. Total capital is calculated as 'equity attributable to owners of the Company as shown in the consolidated statement of financial position plus the net debt of the Group and of the Company.

The gearing ratio analysis for the Group and the Company are as disclosed below:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net debt	736,974	784,146	153,991	241,280
Equity attributable to owners of the Company	1,099,108	1,496,358	1,242,196	1,915,937
Total capital	1,836,082	2,280,504	1,396,187	2,157,217
Gearing ratio	40%	34%	11%	11%

The increase in the Group's gearing ratio in 2025 is due to decrease in retained earnings.

(c)

Fair value estimation

Financial instruments that are measured in the statement of financial position at fair value are disclosed by the following fair value measurement hierarchy:

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

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FINANCIAL RISK MANAGEMENT (CONTINUED)

(c)

Fair value estimation (continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2025 and 31 December 2024:

	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Group - Assets				
<u>As at 31 December 2025</u>				
Financial assets at fair value through profit or loss:				
Derivatives				
- Foreign exchange forward contracts	43	-	43	-
<u>As at 31 December 2024</u>				
Financial assets at fair value through profit or loss:				
Derivatives				
- Sugar future contracts	1,042	1,042	-	-
- Foreign exchange forward contracts	655	-	655	-

There were no transfers between levels 1 and 2 during the financial year.

(i)

Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise of sugar commodity futures contracts and brent crude oil option contracts.

(ii)

Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. Instruments included in Level 2 comprise Islamic profit rate swap and foreign exchange forward contract.

There are no offsetting financial assets and financial liabilities during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

5CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumption that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i)Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units (“CGU”) to which the goodwill is allocated. Estimating the recoverable amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The recoverable amounts of CGUs were determined based on the higher of fair value less cost to sell and value-in-use (“VIU”) calculations. The VIU is the net present value of the projected future cash flows derived from the CGU discounted at an appropriate discount rate. Projected future cash flows are estimates made based on historical, industry trends, general market and economic condition and other available information. Projected future cash flows are based on Group’s judgement in terms of assessing future uncertain parameters such as selling price, raw sugar price, utilisation factors, sales volume, freight charges, natural gas price, lease term, terminal value growth rate and discount rate. These judgements are based on the historical track record and expectations of future events that are believed to be reasonable under current circumstances.

As a result of these impairment assessments, the Group did not recognise any impairment. A forecast period of 5 years together with a terminal value growth rate was used to derive the recoverable amount. The key assumptions and sensitivity analysis are as disclosed in Note 18 to the financial statements.

(ii)Impairment of non-financial assets

Group

The Group assesses whether there is any indication that non-financial assets are impaired at the end of each reporting period and tests non-financial assets for impairment if such indication exists. The carrying amount of the Group’s non-financial assets was assessed for impairment as the Group’s market capitalisation was below the carrying value of its net assets as at 31 December 2025 and one of the sugar refineries, MSM Johor has recorded increase in losses due to its lower-than-expected capacity utilisation in the current year including lower sales demand. In addition, the industry is expecting a rationalisation of the pricing framework for sales of products subject to price control. These have been identified as current year indicators for impairment of non-financial assets.

Impairment is measured by comparing the carrying amount of a cash generating unit with its recoverable amount. The recoverable amount is measured at the higher of the fair value less costs to sell for that asset and its value in use. The value in use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. Projected future cash flows are calculated based on historical and industry trends, general market and economic conditions and other available information. Changes to any of these assumptions would affect the determination of value in use. The fair value less costs to sell is determined based on a valuation report prepared by an external valuer, which applies the income approach and includes assumptions that reflect the perspective of market participants.

Refer to Note 16 to the financial statements for the details of the impairment assessment carried out by management on MSM Johor’s CGU, which comprise property, plant and equipment and right-of-use assets.

5CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(ii)Impairment of non-financial assets (continued)

Company

Investments in subsidiaries are tested for impairment whenever there is objective evidence or indication that these assets may be impaired. During the financial year, the Company assessed the investments in subsidiaries for impairment following indications arising from the impairment recognised on property, plant and equipment at the subsidiary level, which resulted in the net tangible assets of the subsidiaries being lower than the respective carrying amounts of the investments.

The recoverable amounts were determined based on value-in-use (“VIU”) which is determined based on the equity value of the subsidiary, computed based on net present value of the projected future cashflows, which are adjusted for financing and tax cash flows.

As a result of the assessment, there is negative recoverable amount of a subsidiary, MSM Sugar Refinery (Johor) Sdn Bhd (“MSM Johor”), which resulted in an impairment loss of RM785 million in the carrying value of the Company’s investment in MSM Johor. The key assumptions and the sensitivity analysis are disclosed in Notes 16, 18 and 19 to the financial statements.

(iii)Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgment regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised.

As of 31 December 2025, the Group has not recognised deferred tax assets of RM274,643,000 (2024: RM173,516,000) in respect of unused tax losses and unabsorbed capital allowances of a loss making subsidiary of the Group.

In evaluating whether it is probable that future taxable profits will be available in future periods, all available evidence was considered, including approved budgets and business plans, continuous effective cost management plans and analysis of historical operating results. These forecasts are consistent with those prepared and used internally for business planning and impairment testing purposes.

(iv)Lease term of contracts with extension options

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. In determining the lease term, the Group considers all relevant factors and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods of termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

During the financial year 2024, the Group has exercised its legal and contractual rights to extend the lease term for one of its leasehold lands in Prai by another 30 years.

Refer to Note 17 to the financial statements for the details of the remeasurement of lease liability after taking into consideration the extended lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6REVENUE

The Group and Company derive the following types of revenue:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from contract with customers	2,806,759	3,256,733	16,576	15,787
Revenue from other sources	287,656	288,000	135,051	150,153
	3,094,415	3,544,733	151,627	165,940

Disaggregation of revenue from contracts with customers:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<u>Revenue from contract with customers</u>				
Management fee income	-	-	16,576	15,787
Sales of goods (refined sugar and molasses)	2,805,137	3,255,134	-	-
Rendering of services (transportation services)	1,622	1,599	-	-
	2,806,759	3,256,733	16,576	15,787
<u>Revenue from other sources</u>				
Incentive from Kementerian Perdagangan Dalam Negeri dan Kos Sara Hidup (KPDN) for sales of packed sugar	287,656	288,000	-	-
Interest income	-	-	1,695	2,285
Dividend income	-	-	133,078	147,622
Others	-	-	278	246
	287,656	288,000	135,051	150,153
	3,094,415	3,544,733	151,627	165,940
Timing of revenue recognition				
- at a point in time	2,805,137	3,255,134	-	-
- over time	1,622	1,599	16,576	15,787
	2,806,759	3,256,733	16,576	15,787

6REVENUE (CONTINUED)

The analysis of revenue by geographical locations is as follows:

	Group	
	2025 RM'000	2024 RM'000
Malaysia	2,305,847	2,540,915
Asia	472,449	670,805
Oceania	28,463	44,640
North America	-	373
	2,806,759	3,256,733

7OTHER OPERATING INCOME

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Rental income	33	-	33	-
Income from sale of scrap	1,007	883	-	-
Unrealised foreign currency exchange gain	-	1,077	-	-
Realised foreign currency exchange translation gain	-	857	-	-
Insurance claims	1,856	1,002	-	-
Income assistance given for Bonsucro certified raw sugar	1,146	-	-	-
Others	34	435	45	6
	4,076	4,254	78	6

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

8 REVERSAL OF IMPAIRMENT OF FINANCIAL ASSETS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Reversal of impairment loss of trade and other receivables (Note 21)	265	400	-	-
Reversal of impairment loss of amount due from a related company (Note 23)	691	345	-	-
	956	745	-	-

9 OTHER (LOSSES)/GAINS, NET

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unrealised fair value (losses)/gains-net				
- Sugar futures contract	(1,042)	1,042	-	-
- Foreign currency exchange forward contracts	(612)	998	-	-
	(1,654)	2,040	-	-
Realised fair value gains/(losses)-net				
- Sugar futures contract	1,359	936	-	-
- Brent crude oil forward option	-	(758)	-	-
- Foreign currency exchange forward contracts	(204)	(2,602)	-	-
	1,155	(2,424)	-	-
	(499)	(384)	-	-

10 FINANCE INCOME AND COSTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Finance income:				
- Interest income	3,747	7,068	-	-
Finance costs:				
- Interest on:				
- bankers' acceptances	(29,750)	(33,295)	-	-
- term loans	(8,221)	(11,733)	(8,221)	(11,733)
- interest on Islamic profit rate swap	-	(36)	-	(36)
- loan due to a subsidiary	-	-	(1,604)	(2,295)
- lease liabilities	(4,188)	(1,468)	(130)	(154)
- ineffective cash flow hedge	-	(21)	-	(21)
	(42,159)	(46,553)	(9,955)	(14,239)
Amount capitalised on qualifying assets				
- property, plant and equipment (Notes 16, 33)	1,473	2,241	-	-
	(40,686)	(44,312)	(9,955)	(14,239)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

11 (LOSS)/PROFIT BEFORE ZAKAT AND TAXATION

(Loss)/Profit before zakat and taxation is stated after charging/(crediting):

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cost of raw sugar consumed	2,239,630	2,763,376	-	-
Changes in inventories of work in progress, refined sugar and molasses	72,918	(91,434)	-	-
Inventories written off	-	944	-	-
Allowance for inventory obsolescence	(350)	(1,444)	-	-
Provision for onerous sales contracts	11,253	1,119	-	-
Impact of inventories carried at net realisable value (Note 22)	17,910	561	-	-
Distribution and transport expenses	20,277	19,128	-	-
Natural gas and fuel consumed	184,672	205,630	-	-
Property, plant and equipment:				
- Depreciation (Note 16)	73,894	71,649	565	671
- Impairment (Note 16)	359,961	-	-	-
- Write-offs (Note 16)	709	918	-	-
Right-of-use assets:				
- Depreciation (Note 17)	9,686	7,931	777	735
Intangible assets:				
- Amortisation (Note 18)	4,030	3,678	696	450
Impairment of investment in a subsidiary (Note 19)	-	-	785,032	292,828
Insurance claim (Note 7)	(1,856)	(1,002)	-	-
Principal auditors' remuneration:				
- Current year audit fee	513	517	201	209
- Other assurance services	343	284	343	284
Repair and maintenance	69,777	83,444	1,753	990
Staff costs*	118,328	115,521	17,484	17,899
Rental expenses for short term leases and low value assets	10,520	4,720	-	-
Unrealised foreign currency exchange loss/(gain)	2,566	(1,077)	-	-

11 (LOSS)/PROFIT BEFORE ZAKAT AND TAXATION (CONTINUED)

(Loss)/Profit before zakat and taxation is stated after charging/(crediting): (continued)

* Staff costs (excluding Directors' remuneration) are analysed as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Wages, salaries and bonuses	78,665	80,998	12,723	13,851
Defined contribution plan	11,704	11,246	2,318	2,226
Other employee benefits	27,959	23,277	2,443	1,822
	118,328	115,521	17,484	17,899

12 DIRECTORS' REMUNERATION

	Receivable from the Company RM'000	Group RM'000
2025		
Fees:		
- Independent Non-Executive	912	912
- Non-Independent Non-Executive	550	550
	1,462	1,462
Meeting allowances:		
- Independent Non-Executive	302	302
- Non-Independent Non-Executive	236	236
	538	538
Benefits in kind and other benefits:		
- Independent Non-Executive	62	62
- Non-Independent Non-Executive	11	11
	73	73
	2,073	2,073

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

12 DIRECTORS' REMUNERATION (CONTINUED)

	Receivable from the Company RM'000	Group RM'000
2024		
Fees:		
- Independent Non-Executive	989	989
- Non-Independent Non-Executive	474	474
	1,463	1,463
Meeting allowances:		
- Independent Non-Executive	280	280
- Non-Independent Non-Executive	158	158
	438	438
Benefits in kind other benefits:		
- Independent Non-Executive	63	63
- Non-Independent Non-Executive	5	5
	68	68
	1,969	1,969

13 ZAKAT

	Group	
	2025 RM'000	2024 RM'000
Movement in zakat liability:		
At beginning of financial year	-	-
Current financial year's zakat expense	1,000	1,000
Zakat paid	(1,000)	(1,000)
At the end of financial year	-	-

14 TAXATION

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current tax	28,155	42,681	915	1,160
(Over)/Under accrual in prior financial year	(35)	(142)	180	(60)
	28,120	42,539	1,095	1,100
Deferred tax (Note 29)	(6,727)	171	301	152
	21,393	42,710	1,396	1,252

The numerical reconciliation of the relationship between taxation and (loss)/profit before taxation after zakat is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(Loss)/Profit before taxation after zakat	(375,857)	73,964	(672,345)	(174,470)
Tax at Malaysian tax rate of 24% (2024: 24%)	(90,206)	17,751	(161,363)	(41,873)
Tax effects of:				
- expenses not deductible for tax purposes	9,642	10,858	194,518	78,614
- income not subject to tax	(67)	(168)	(31,939)	(35,429)
- (over)/under accrual in prior financial year	(35)	(142)	180	(60)
- double deduction	-	(4)	-	-
- temporary differences not recognised as deferred tax	101,629	14,199	-	-
- temporary differences in respect of prior years	430	216	-	-
	21,393	42,710	1,396	1,252

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

15 (LOSS)/PROFIT PER SHARE

	Group	
	2025 RM'000	2024 RM'000
(Loss)/Profit for the financial year attributable to owners of the Company	(397,250)	31,254
Weighted average number of ordinary shares in issue ('000)	702,980	702,980
Basic and diluted (loss)/earnings per share (sen)	(56.51)	4.45

16 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Furniture, fittings, equipment and motor vehicles RM'000	Assets under construction RM'000	Total RM'000
2025						
Cost						
At 1 January 2025	6,486	492,061	1,447,178	88,222	17,621	2,051,568
Additions (Note 33)	-	357	1,740	436	35,348	37,881
Write-offs	-	(80)	(3,872)	(222)	(124)	(4,298)
Reclassifications	-	4,897	18,149	3,696	(26,742)	-
At 31 December 2025	6,486	497,235	1,463,195	92,132	26,103	2,085,151
Accumulated depreciation						
At 1 January 2025	-	129,099	685,565	56,663	-	871,327
Charge for the financial year	-	10,859	53,454	9,581	-	73,894
Write-offs	-	-	(3,378)	(211)	-	(3,589)
At 31 December 2025	-	139,958	735,641	66,033	-	941,632
Accumulated impairment						
At 1 January 2025	-	-	-	-	-	-
Charge for the financial year	-	-	357,749	-	2,212	359,961
At 31 December 2025	-	-	357,749	-	2,212	359,961
Net book value						
At 31 December 2025	6,486	357,277	369,805	26,099	23,891	783,558

During the year ended 31 December 2025, the Group recognised an impairment loss of RM2.2 million on an ongoing construction project. The project is suspended due to uncertainty over completion of the project. This has been identified as current year indicator for the impairment of the assets recorded under Assets Under Construction.

16 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Furniture, fittings, equipment and motor vehicles RM'000	Assets under construction RM'000	Total RM'000
2024						
Cost						
At 1 January 2024	6,486	482,863	1,406,216	78,005	22,005	1,995,575
Additions (Note 33)	-	146	2,299	5,117	55,499	63,061
Write-offs	-	(264)	(2,098)	(4,706)	-	(7,068)
Reclassifications	-	9,316	40,761	9,806	(59,883)	-
At 31 December 2024	6,486	492,061	1,447,178	88,222	17,621	2,051,568
Accumulated depreciation						
At 1 January 2024	-	118,367	635,348	52,113	-	805,828
Charge for the financial year	-	10,734	52,201	8,714	-	71,649
Write-offs	-	(2)	(1,984)	(4,164)	-	(6,150)
At 31 December 2024	-	129,099	685,565	56,663	-	871,327
Net book value						
At 31 December 2024	6,486	362,962	761,613	31,559	17,621	1,180,241

Included in the Group's assets under construction during the financial year are finance costs capitalised amounting to RM1,473,000 (2024: RM2,241,000) (Note 10) applying a capitalisation rate of 4.37% (2024: 4.46%).

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

16

PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment assessment of MSM Sugar Refinery (Johor) Sdn Bhd (“MSM Johor”)

(a) Financial year ended 31 December 2025

MSM Johor has recorded increase in losses due to its lower-than-expected capacity utilisation in the current year including lower sales demand. In addition, the industry is expecting a rationalisation of the pricing framework for sales of products subject to price control in the current year, which may lead to lower revenue. These have been identified as current year indicators for impairment of its non-financial assets.

The recoverable amount is determined using value-in-use (“VIU”) calculation based on cash flow projection which is approved by the Board of Directors. The key assumptions of the projection are based on the 2026 to 2030 approved financial budget by the Directors and it covers a finite projection period of 22 years (2024: 23 years), based on the overall remaining useful life of property, plant and equipment.

The recoverable amount of MSM Johor’s assets is calculated based on a VIU calculation of RM655 million, which is RM358 million below its carrying amount. The calculation is based on probability weighted average assessment comprising three scenarios.

Consequently, an impairment loss of RM358 million for plant and machinery is recognised during the financial year. The impairment loss was recognised as the Group’s impairment of non-financial assets and presented as a separate line item in Statement of Comprehensive Income.

The key assumptions used for the VIU calculation are as follows:

Key assumptions	2025
Selling price, RM/MT *	2,128 – 4,026
Selling price of products subject to price control, inclusive of expected incentives RM/MT #	3,190 – 3,590
Raw sugar price, RM/lb	0.72 – 0.74
Utilisation factor, % #	26.4% – 49.9%
Sales volume, MT’000	264 – 499
Freight charges, RM/MT	169 – 189
Natural gas price, RM/MMBtu	36.7 – 40.3
Long term growth rate %	2.0%
Discount rate % (pre-tax)	11.4% - 12.7%

* Excluding products subject to price control.

In response to the identified impairment indicators, the Directors have applied three probability weighted scenarios on the assumptions surrounding the plant’s utilisation factor and selling price of product subject to price control. The utilisation factor assumption is derived from current operational expectations combined with projected sales demand, while the selling price of product subject to price control is based on Group ongoing discussion with relevant authorities in regards to the expected incentives.

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PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment assessment of MSM Sugar Refinery (Johor) Sdn Bhd (“MSM Johor”) (continued)

(a) Financial year ended 31 December 2025 (continued)

The following table shows the probability weighted recoverable amount corresponding to the adoption of the below key assumptions:

Scenarios	Utilisation factor (UF)	Selling price of product subject to price control	Probability assessment	Probability weighted recoverable amount (RM’000)
1	26.4% - 31.1%	Reduction of RM500/MT	55%	262,000
2	26.4% - 31.1%	Reduction of RM100/MT	35%	261,000
3	31.1% - 49.9%	Reduction of RM100/MT	10%	132,000
				655,000

The sensitivity on the MSM Johor’s assets VIU recoverable amount to key assumptions adopted in the three probability weighted scenarios are as follows:

2025

Key assumptions	Sensitivity	VIU lower by RM’000
Selling price of product subject to price control	Selling price remain at RM2,690/MT *	(567,169)
Utilisation factor	Utilisation factor at 26.4% - 31.1%	(57,000) – (84,000)

* Represents existing ceiling price for products subject to price control

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

16

PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment assessment of MSM Sugar Refinery (Johor) Sdn Bhd (“MSM Johor”) (continued)

(b) Financial year ended 31 December 2024

The recoverable amount of MSM Johor’s assets is calculated based on a VIU calculation of RM1,388 million, which exceeded the carrying value by RM207 million. The calculation is based on single scenario assessment.

The key assumptions used for the VIU calculation are as follows:

Key assumptions	2024
Selling price, RM/MT *	2,685 – 4,470
Selling price of products subject to price control, inclusive of expected incentives RM/MT #	3,690
Raw sugar price, RM/lb	0.84 – 0.91
Utilisation factor, % #	28.6% - 60.4%
Sales volume, MT’000	286 – 604
Freight charges, RM/MT	206 – 217
Natural gas price, RM/MMBtu	44.5 – 46.4
Long term growth rate %	2.0%
Discount rate % (pre-tax)	12.4%

* Excluding products subject to price control.

In 2024, a single-scenario assessment was applied to the key assumptions. The selling price for products subject to price control was fixed at RM3,690/MT, based on the Directors’ assessment of the latest developments in the pricing mechanism at that time, and a corresponding range of utilisation factor assumption was applied based on the expected performance of the plant and machinery then.

The sensitivity on the MSM Johor’s assets VIU recoverable amount to key assumptions are as follows:

2024		VIU lower by RM’000
Key assumptions	Sensitivity	
Selling price of product subject to price control	Selling price remain at RM2,690/MT *	(1,143,737)

* Represents existing ceiling price for products subject to price control

16

PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Furniture, fittings, equipment, and motor vehicles RM’000
2025	
Cost	
At 1 January 2025	6,424
Addition	208
Write-offs	(8)
At 31 December 2025	6,624
Accumulated depreciation	
At 1 January 2025	5,249
Charge for the financial year	565
Write-offs	(8)
At 31 December 2025	5,806
Net book value	
At 31 December 2025	818
2024	
Cost	
At 1 January 2024	5,983
Addition	443
Write-offs	(2)
At 31 December 2024	6,424
Accumulated depreciation	
At 1 January 2024	4,580
Charge for the financial year	671
Write-offs	(2)
At 31 December 2024	5,249
Net book value	
At 31 December 2024	1,175

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

17

RIGHT-OF-USE ASSETS

Group	Leasehold land RM'000	Building RM'000	Forklift RM'000	Total RM'000
2025				
<u>Cost</u>				
At 1 January 2025	150,051	11,342	-	161,393
Addition	361	785	13,889	15,035
Termination of lease contract	-	(6,159)	-	(6,159)
At 31 December 2025	150,412	5,968	13,889	170,269
<u>Accumulated depreciation</u>				
At 1 January 2025	19,599	5,876	-	25,475
Charge for the financial year	3,859	3,049	2,778	9,686
Termination of lease contract	-	(6,159)	-	(6,159)
At 31 December 2025	23,458	2,766	2,778	29,002
<u>Net book value</u>				
At 31 December 2025	126,954	3,202	11,111	141,267
2024				
<u>Cost</u>				
At 1 January 2024	89,046	24,418	-	113,464
Reclassification	19,112	(19,112)	-	-
Addition	1,058	6,891	-	7,949
Remeasurement of lease liability	40,835	-	-	40,835
Termination of lease contract	-	(855)	-	(855)
At 31 December 2024	150,051	11,342	-	161,393
<u>Accumulated depreciation</u>				
At 1 January 2024	13,171	5,228	-	18,399
Reclassification	3,810	(3,810)	-	-
Charge for the financial year	2,618	5,313	-	7,931
Termination of lease contract	-	(855)	-	(855)
At 31 December 2024	19,599	5,876	-	25,475
<u>Net book value</u>				
At 31 December 2024	130,452	5,466	-	135,918

17

RIGHT-OF-USE ASSETS (CONTINUED)

Total cash outflow for leases of the Group is as follows:

	Group	
	2025 RM'000	2024 RM'000
Rental of short term assets and low value assets	10,520	4,720
Principal payments of lease liabilities	3,765	5,562
Interest payment of lease liabilities	4,188	1,468
	18,473	11,750

The Group has leased two pieces of leasehold land for 59 to 60 years, which are used as sites for sugar refineries. The Group also leases office premise, warehouses and railway track where the rental contracts are entered into fixed periods of lease terms. The extension option included in these lease agreements have been considered in determining the lease term upon lease inception.

During the financial year 2024, the Group has exercised its legal and contractual rights to extend the lease term for one of the leasehold land in Prai by another 30 years. As at the reporting date, the Group is in discussion with the landlord to negotiate and finalise the lease arrangement terms which include the lease rental rate and lease term as the landlord has not agreed to the lease term extension notification issued by the Group and the proposed rental rate. The Directors are of the view that the negotiations will be concluded in accordance with the Group's legal and contractual rights of the lease agreement as supported by external legal advice.

Accordingly, the Group has remeasured the lease liability by making a corresponding adjustment to the right-of-use assets, after taking into consideration the extended lease term by another 30 years using the increase in rental rate of other comparable leases entered into by the Group.

Short term lease commitment of the Group is as follows:

	Group	
	2025 RM'000	2024 RM'000
Short term lease commitment	10,520	4,670

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

17

RIGHT-OF-USE ASSETS (CONTINUED)

Company	Building RM'000
2025	
<u>Cost</u>	
At 1 January 2025	4,452
Addition	785
At 31 December 2025	5,237
<u>Accumulated depreciation</u>	
At 1 January 2025	1,623
Charge for the financial year	777
At 31 December 2025	2,400
<u>Net book value</u>	
At 31 December 2025	2,837
2024	
<u>Cost</u>	
At 1 January / 31 December 2024	4,452
<u>Accumulated depreciation</u>	
At 1 January 2024	888
Charge for the financial year	735
At 31 December 2024	1,623
<u>Net book value</u>	
At 31 December 2024	2,829
Total cash outflow for leases of the Company is as follows:	

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INTANGIBLE ASSETS

	Group				Company
	Goodwill RM'000	Brand RM'000	Software RM'000	Total RM'000	Software RM'000
2025					
<u>Cost</u>					
As at 1 January 2025	576,240	86,033	18,269	680,542	11,469
Additions	-	-	899	899	72
As at 31 December 2025	576,240	86,033	19,168	681,441	11,541
<u>Accumulated amortisation</u>					
As at 1 January 2025	-	50,881	15,500	66,381	8,889
Charge for the financial year	-	3,226	804	4,030	696
As at 31 December 2025	-	54,107	16,304	70,411	9,585
<u>Net book value</u>					
As at 31 December 2025	576,240	31,926	2,864	611,030	1,956
2024					
<u>Cost</u>					
As at 1 January 2024	576,240	86,033	17,108	679,381	10,496
Additions	-	-	1,161	1,161	973
As at 31 December 2024	576,240	86,033	18,269	680,542	11,469
<u>Accumulated amortisation</u>					
As at 1 January 2024	-	47,655	15,048	62,703	8,439
Charge for the financial year	-	3,226	452	3,678	450
As at 31 December 2024	-	50,881	15,500	66,381	8,889
<u>Net book value</u>					
As at 31 December 2024	576,240	35,152	2,769	614,161	2,580

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

18 INTANGIBLE ASSETS (CONTINUED)

Goodwill

The goodwill relates to the acquisition of the sugar business and is allocated to the sugar segment. This represents the lowest level at which goodwill is monitored for internal management purposes.

The recoverable amount of the Cash Generating Unit (“CGU”) is determined based on value-in-use (“VIU”) calculations using cash flows projections which is approved by the Board of Directors. The key assumptions of the projection are based on 2026 to 2030 cash flow forecasts approved by the Directors and applying a terminal value multiple using a long term sustainable growth rate.

The recoverable amount calculated based on VIU of RM1,530.9 million exceeded the carrying value by RM458.2 million (2024: RM404 million).

The key assumptions used for the CGU’s value-in-use calculation are:

Key assumptions	2025	2024
Selling price, RM/MT *	2,128 – 4,026	2,685 – 4,470
Selling price of products subject to price control, inclusive of expected incentives, RM/MT **	3,190 – 3,590	3,690
Selling price of product Premium Grain Sugar, RM/MT	3,630 – 3,945	3,550 – 4,470
Raw sugar price, RM/lb	0.72 – 0.74	0.84 – 0.91
Utilisation factors, % ***	26.4% – 74.6%	28.6% – 74.3%
Sales volume, MT’000	1,030 – 1,079	1,066 – 1,210
Sales volume of products Premium Grain Sugar, MT’000	5	23 – 45
Freight charges, RM/MT	169 – 208	206 – 217
Natural gas price, RM/MMBtu	36.7 – 40.3	44.5 – 46.4
Terminal value growth rate, %	2%	2%
Discount rate, % (pre-tax)	11.3% - 12.4%	11.4% - 12.4%

- *

Excluding products subject to price control.
- **

In deriving the key assumption of selling price of products subject to price control inclusive of expected incentives, the Directors have applied three probability weighted scenario based on Group’s ongoing discussion with relevant authorities in regards to the expected incentives.
- ***

In deriving the key assumption of utilisation factors, the Directors have applied three probability scenarios surrounding MSM Johor plant’s utilisation factor based on current operational expectations combined with projected sales demand. This is consistent with Director’s impairment assessment of non-financial assets as set out in Note 16.

18 INTANGIBLE ASSETS (CONTINUED)

Goodwill (continued)

In 2024, a single-scenario assessment was applied to the key assumptions. The selling price for products subject to price control was fixed at RM3,690/MT, based on the Directors’ assessment of the latest developments in the pricing mechanism at that time, and a corresponding range of utilisation factor assumption was applied based on the expected performance of the plant and machinery then.

Included in the key assumptions is the lease term related to a sugar refinery in Prai, which was determined to be 29 years (2024: 30 years). This is consistent with the Director’s assessment on the Group’s legal and contractual right of the lease agreement set out in Note 17.

The sensitivity on the goodwill arising from the sugar business operations in Malaysia VIU recoverable amount to key assumptions are as follows:

2025

Key assumptions	Sensitivity	VIU (lower)/higher by RM’000
Selling price of products subject to price control	Selling price remain at RM2,690/MT*	(1,530,895)
Utilisation factor of MSM Johor	Utilisation factor at 26.4% - 31.1%	(50,000) - 54,000

- *

Represents existing ceiling price for products subject to price control

All changes taken in isolation, a reduction in selling price of products subject to price control by RM150/MT, decrease in raw sugar price by USD0.50 cents/lb, increase in discount rate by 1.20%, increase in domestic sales volume by 15,000MT, increase in freight charges by USD7.80/MT, or decrease in natural gas prices by RM1.42/MMBtu would result in the recoverable amount being equal to the carrying amount.

2024

Key assumptions	Sensitivity	VIU lower by RM’000
Selling price of products subject to price control	Selling price remain at RM2,690/MT*	(1,900,430)

- *

Represents existing ceiling price for products subject to price control

All changes taken in isolation, a reduction in selling price of products subject to price control by RM137/MT, decrease in raw sugar price by USD0.39 cents/lb, increase in discount rate by 1.32%, decrease in domestic sales volume by 20,000MT, increase in freight charges by USD6.74/MT, or increase in natural gas prices by RM8.00/MMBtu would result in the recoverable amount being equal to the carrying amount.

The above sensitivity analysis is based on the movement of individual key assumptions while holding all other assumptions constant.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

19 INVESTMENTS IN SUBSIDIARIES

	Company	
	2025 RM'000	2024 RM'000
<u>Unquoted investments, at cost</u>		
At 1 January / 31 December	2,401,598	2,401,598
<u>Accumulated impairment</u>		
At 1 January	385,574	92,746
Charged during the year	785,032	292,828
At 31 December	1,170,606	385,574
Net investment in subsidiaries	1,230,992	2,016,024

Investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

As indicated in Note 16 of the financial statements, there is an impairment of non-financial assets recognised during the financial year, which indicated a decrease in value of the investment in MSM Johor. The Company has performed an impairment assessment of its cost of investment in MSM Johor to determine whether the carrying amount of the investment exceeds the recoverable amount. The recoverable amount of the investment in MSM Johor is determined based on equity value of MSM Johor, which computed using the higher of its fair value less costs of disposal and its value in use, with adjustments made for financing and tax cashflows. The key assumptions adopted in the estimates are consistent with those used and disclosed in Note 16 of the financial statements.

Based on the net equity value, there is negative recoverable amount for MSM Johor (2024: RM785 million). This has resulted in an additional impairment of RM785 million (2024: RM293 million) to the Company's investment in MSM Johor.

The sensitivity on the MSM Johor's equity value to key assumption is as follows:

Key assumptions	Sensitivity	2025 VIU lower by RM'000	2024 VIU lower by RM'000
Selling price of product subject to price control	Selling price remain at RM2,690/MT *	(163,134)	(1,388,883)
Utilisation factor	Utilisation factor at 26.4% - 31.1%	(74,410) - (108,430)	-

* Represents existing ceiling price for products subject to price control

The recoverable amount of the investment in MSM Prai is determined based on net present value of its projected future cash flows with adjustment made for financing and tax cash flows. Based on the net equity value of MSM Prai, no impairment is required as its recoverable amount exceeds its carrying amount.

19 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries, are as follows:

Name of subsidiaries	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares held by the Group	
			2025 %	2024 %	2025 %	2024 %
<u>Direct subsidiaries</u>						
MSM Prai Berhad	Malaysia	Sugar refining, sales and marketing of sugar products and investment holding	100	100	100	100
MSM Trading & Distribution Sdn Bhd	Malaysia	The intended principal activities are to buy and sell commodities products either through physical or paper transaction. The Company was dormant during the financial year	100	100	100	100
MSM Sugar Refinery (Johor) Sdn Bhd	Malaysia	Sugar refining, sales and marketing of sugar products	100	100	100	100
<u>Indirect subsidiary through MSM Prai Berhad</u>						
MSM Logistics Sdn Bhd	Malaysia	Transport services, warehousing, freight forwarding and others value added services	-	-	100	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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LEASE RECEIVABLES

	Company	
	2025 RM'000	2024 RM'000
Not later than 1 year	2,167	2,167
Later than 1 year	78,086	79,269
	80,253	81,436

The leased asset is in respect of a piece of leasehold land acquired for the construction of a sugar refinery which the Company leases to a subsidiary of the Company. The Company and its subsidiary had agreed that the total investment recovery cost of RM87,346,451 as at 30 April 2016, which is the commencement date of the lease agreement for the said land, will be recovered by the subsidiary over a period of 59 years. Accordingly, the Company has transferred the net book value of the leasehold land amounting to RM87,346,451 as at 30 April 2016 from property, plant and equipment to lease receivables in 2019.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	Company	
	2025 RM'000	2024 RM'000
Within 1 year	2,167	2,167
In the second year	2,167	2,167
In the third year	2,167	2,167
In the fourth year	2,167	2,167
In the fifth year	2,167	2,167
After the fifth year	95,874	98,041
Total undiscounted lease payments receivable	106,709	108,876
Unearned finance income	(26,456)	(27,440)
Net investment in the lease	80,253	81,436

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RECEIVABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current assets:				
Trade receivables	180,281	259,274	-	-
Other receivables (Note a)	48,988	47,240	-	11
Deposits	2,907	3,096	11	10
Prepayments	8,401	9,769	474	506
	240,577	319,379	485	527
Loss allowance – Trade receivables	(1,114)	(1,379)	-	-
Loss allowance – Other receivables	(45)	(45)	-	-
Total receivables	239,418	317,955	485	527

The receivables are denominated as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	192,466	256,328	485	527
US Dollar	46,602	61,359	-	-
Others	350	268	-	-
	239,418	317,955	485	527

Credit term of trade receivables range between 30 to 180 days (2024: 30 to 60 days).

- (a)
- Included in other receivables of the Group are:
- i)

Cash placed for sugar futures trading facilities of RM19,014,000 (2024: RM19,577,000).
- ii)

Incentive receivable from Ministry of Domestic Trade and Cost of Living (Kementerian Perdagangan Dalam Negeri dan Kos Sara Hidup) of RM24,000,000 (2024: RM24,000,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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RECEIVABLES (CONTINUED)

(b)

Reconciliation of loss allowance

(i)

Trade receivables using simplified approach

The Group apply MFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of revenue earned over a period of 24 months before 31 December 2025 or 31 December 2024 respectively and the corresponding historical credit losses experienced within this period.

The Group do not solely rely on historical loss rates, but also consider forward-looking information on macroeconomic factors such as expected changes in commodity prices which affect the ability of the customers to settle the receivables.

The movement of loss allowance for trade receivables is as follows:

	Group	
	2025 RM'000	2024 RM'000
At 1 January	(1,379)	(2,619)
Decrease in loss allowance recognised in profit or loss during the year (Note 8)	265	398
Written off as bad debts	-	842
At 31 December	(1,114)	(1,379)

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RECEIVABLES (CONTINUED)

(b)

Reconciliation of loss allowance (continued)

(i)

Trade receivables using simplified approach (continued)

31 December 2025

The following table contains an analysis of the credit risk exposure of trade receivables for which an ECL allowance is recognised, based on collective impairment assessment:

	Current RM'000	Less than 30 days past due RM'000	More than 30 days past due RM'000	More than 60 days past due RM'000	More than 90 days past due RM'000	Total RM'000
31 December 2025						
Gross carrying amount – trade receivables	171,019	7,716	279	86	1,181	180,281
Expected loss rate	0.01%	0.06%	2.15%	12.79%	91.62%	
Collective loss allowance	(10)	(5)	(6)	(11)	(1,082)	(1,114)
Carrying amount (net of loss allowance)	171,009	7,711	273	75	99	179,167

Decrease in loss allowance since prior year mainly due to receipts from customer during the financial year.

31 December 2024

The following table contains an analysis of the credit risk exposure of trade receivables for which an ECL allowance is recognised, based on collective impairment assessment:

	Current RM'000	Less than 30 days past due RM'000	More than 30 days past due RM'000	More than 60 days past due RM'000	More than 90 days past due RM'000	Total RM'000
31 December 2024						
Gross carrying amount – trade receivables	245,304	11,759	482	89	1,640	259,274
Expected loss rate	0.01%	0.20%	3.94%	7.87%	80.12%	
Collective loss allowance	(16)	(23)	(19)	(7)	(1,314)	(1,379)
Carrying amount (net of loss allowance)	245,288	11,736	463	82	326	257,895

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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RECEIVABLES (CONTINUED)

(b) Reconciliation of loss allowance (continued)

(ii) Other receivables using general 3 stage approach

The loss allowance for other receivables for the Group and Company as at 31 December 2025 reconciles to the opening loss allowances for that provision as follows:

Group	Performing RM'000	Under- performing RM'000	Non- performing RM'000	Total RM'000
Opening loss allowance as at 1 January 2024	-	(67)	-	(67)
Decrease in loss allowance (Note 8)	-	2	-	2
Written off as bad debts	-	20	-	20
Closing loss allowance as at 31 December 2024/31 December 2025	-	(45)	-	(45)

Company	Performing RM'000	Under- performing RM'000	Non- performing RM'000	Total RM'000
Opening loss allowance as at 1 January 2024	-	(20)	-	(20)
Written off as bad debts	-	20	-	20
Closing loss allowance as at 31 December 2024/31 December 2025	-	-	-	-

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INVENTORIES

	Group	
	2025 RM'000	2024 RM'000
Raw materials	280,979	497,264
Work-in-progress	45,277	56,512
Finished goods	110,132	172,223
Consumable stores	37,901	36,317
Molasses	860	452
	475,149	762,768

Included in the inventories above are amounts of RM120.5 million (2024: RM4.42 million) which are stated at net realisable value. Impact of inventories carried at net realisable value amounted to RM17,910,000 (2024: RM561,000). The amount recognised is included in cost of sales in the statement of comprehensive income (Note 11).

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AMOUNTS DUE FROM/(TO) SUBSIDIARIES, OTHER RELATED COMPANIES, IMMEDIATE HOLDING COMPANY AND ULTIMATE HOLDING BODY

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current assets				
Amounts due from:				
Subsidiaries	-	-	84,816	59,951
Other related companies	381	1,180	-	-
	381	1,180	84,816	59,951
Loss allowances – subsidiaries	-	-	(14)	(14)
Loss allowances – related companies	(344)	(1,035)	-	-
	37	145	84,802	59,937
Current liabilities				
Amounts due to:				
Subsidiaries	-	-	8	11
Other related companies	7,886	8,437	93	132
Immediate holding company	2,427	1,961	963	933
Ultimate holding body	169	71	169	70
	10,482	10,469	1,233	1,146

- (a) Amounts due from/(to) subsidiaries includes dividend receivable, are unsecured, interest free, denominated in Ringgit Malaysia.
- (b) Amounts due from/(to) other related companies are unsecured, interest free, denominated in Ringgit Malaysia and have credit terms of 30 to 60 days (2024: 30 to 60 days).
- (c) Amount due to the immediate holding company represents non-trade balance, which is expected to be settled within the normal credit period of 90 days (2024: 90 days) and is denominated in Ringgit Malaysia, unsecured and interest free.
- (d) Amount due to ultimate holding body relates to office rental charges which is denominated in Ringgit Malaysia, unsecured and interest free and repayable within 60 days.
- (e) The fair value of amount due from/(to) subsidiaries, other related companies, immediate holding company and ultimate holding body approximates its carrying value, as the impact of discounting is not significant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

23 AMOUNTS DUE FROM/(TO) SUBSIDIARIES, OTHER RELATED COMPANIES, IMMEDIATE HOLDING COMPANY AND ULTIMATE HOLDING BODY (CONTINUED)

Reconciliation of loss allowance

The following table contains an analysis of the credit exposure trade amount due from other related companies for which an ECL allowance is recognised, based on individual impairment assessment:

	2025 RM'000	2024 RM'000
At 1 January	(1,035)	(1,380)
Reversal of loss allowance in profit or loss during the year (Note 8)	691	345
At 31 December	(344)	(1,035)

Loss allowance decrease due to collection of uncollectible amount from previous years.

24 LOANS DUE TO A SUBSIDIARY

	Company	
	2025 RM'000	2024 RM'000
Non-current liability		
<u>Loans due to a subsidiary</u>		
<u>Unsecured:</u>		
- Financing in nature	26,170	36,170
Current liability		
<u>Loans due to a subsidiary</u>		
<u>Unsecured:</u>		
- Financing in nature	1,604	2,295

Loans due to a subsidiary relates to funding facility from a subsidiary. The funding is revolving credit in nature and is repayable in 6 months from the drawdown date.

As of 31 December 2025, the Company has the discretion to roll over this obligation for at least twelve months after the reporting period, hence the obligation is classified as non-current liability.

The loan is unsecured, denominated in Ringgit Malaysia and the average interest rate of the loan ranges from 4.33% - 4.59% (2024: 4.46% - 4.63% per annum).

25 DERIVATIVE FINANCIAL INSTRUMENTS

Group	2025		2024	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Current:				
Sugar futures contracts	-	-	1,042	-
Foreign exchange forward contract	43	-	655	-
	43	-	1,697	-

	2025		2024	
	Notional amount RM'000	Derivative assets RM'000	Notional amount RM'000	Derivative assets RM'000
Sugar futures contracts	-	-	8,765	1,042
Foreign exchange forward contracts	44,818	43	266,753	655
	44,818	43	275,518	1,697

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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DEPOSITS, CASH AND BANK BALANCES

Deposits, cash and bank balances comprise the following:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fixed deposits with licensed investment bank in Malaysia	160,791	142,158	570	6,200
Restricted deposit	26,711	22,049	26,711	22,049
Cash and bank balances	6,050	9,422	58	111
Deposits, cash and bank balances	193,552	173,629	27,339	28,360

The effective interest rates of the fixed deposits range from 2.75% - 4.25% (2024: 2.95% - 5.27%) per annum for the Group and range from 2.75% - 3.10% (2024: 3.02% - 3.10%) per annum for the Company respectively. All fixed deposits have original maturity terms of 1 month or less (2024: 1 month or less).

Bank balances are deposits held at call with banks and earn no interest.

Restricted deposit relates to bank balance pledged in order to obtain certain bank facilities. The withdrawal of this deposit from the designated account requires approval from the bank. This deposit can be utilised to meet short-term cash requirements, i.e. principal and interest payments for the loan facility for the next 3 months.

The fixed deposits, cash and bank balances are denominated as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	115,108	120,187	27,339	28,360
US Dollar	78,444	53,442	-	-
	193,552	173,629	27,339	28,360

Credit rating profiles of banks in which the fixed deposits have been placed are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
AAA	187,502	164,207	27,281	28,249

AAA - A financial institution rated AAA has a superior capacity to meet its financial obligations. This is the highest long-term financial institution rated assigned by RAM Ratings.

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SHARE CAPITAL

	Group and Company			
	2025 Number of shares	2024 Number of shares	2025 RM'000	2024 RM'000
Issued and fully paid up with no par value:				
Ordinary shares				
At 1 January/31 December	702,980,000	702,980,000	718,255	718,255

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RESERVES

- (i)
- Reorganisation deficit (non-distributable)

Reorganisation deficit comprises the difference between the fair value of 577,979,800 new ordinary shares issued at RM3.50 per share on 20 May 2011 and the carrying amounts of the sugar business as at January 2010. It is recognised as reorganisation deficit in accordance with the predecessor method of accounting.

- (ii)
- Merger relief reserve (non-distributable)

Merger relief reserve comprises the 577,979,800 new ordinary shares with a par value of RM0.50 each issued at a fair value of RM3.50 per share for the acquisition of entire equity interests in MSM Prai Berhad and MSM Perlis Sdn Bhd on 20 May 2011. The difference between par value and fair value is recognised as merger relief reserve in accordance with section 60(4) of the Companies Act 1965.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

29 DEFERRED TAX (ASSETS)/LIABILITIES

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax liabilities/(assets)				
- Subject to income tax	25,770	32,497	202	(99)

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	32,497	32,326	(99)	(251)
(Credited)/Charged to profit or loss (Note 14):				
- property, plant and equipment	(878)	(440)	49	213
- payables and accruals	(4,026)	1,469	282	(29)
- intangible assets	(774)	(774)	-	-
- unabsorbed business losses	-	128	-	-
- right-of-use assets	996	10,161	2	(176)
- lease liabilities	(2,045)	(10,373)	(32)	144
Charged/(credited) to profit and loss	(6,727)	171	301	152
At 31 December	25,770	32,497	202	(99)

29 DEFERRED TAX (ASSETS)/LIABILITIES (CONTINUED)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax liabilities (before offsetting)				
- property, plant and equipment	19,001	19,879	300	251
- right-of-use assets	15,753	14,757	681	679
- intangible assets	14,068	14,842	-	-
	48,822	49,478	981	930
Offsetting	(23,052)	(16,981)	(779)	(930)
Deferred tax liabilities (after offsetting)	25,770	32,497	202	-
Deferred tax assets (before offsetting)				
- payables and accruals	5,700	1,674	71	353
- lease liabilities	17,352	15,307	708	676
	23,052	16,981	779	1,029
Offsetting	(23,052)	(16,981)	(779)	(930)
Deferred tax assets (after offsetting)	-	-	-	99

The amount of unused tax losses and deductible temporary differences (subject to approval by the Inland Revenue) for which no deferred tax assets are recognised in the statement of financial position of the Group as the Directors are of the view it is not probable that sufficient taxable profits will be available to allow the deferred tax assets to be utilised is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unused tax losses	559,259	532,658	-	-
Unabsorbed capital allowances	585,086	188,232	-	-
	1,144,345	720,890	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

29 DEFERRED TAX (ASSETS)/LIABILITIES (CONTINUED)

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, unutilised tax losses will be imposed with a limit of utilisation for 7 consecutive years. In Budget 2022, the existing time limit to carry forward unutilised business losses to be extended to 10 consecutive years of assessment (“YA”). The existing transitional provision for unutilised business losses from YA 2018 be allowed to be carried forward for 10 consecutive YAs, until YA 2028.

The Group’s unused tax losses as of 31 December 2025 for which no deferred tax assets were recognised based on the YA expiry are as follows:

	Group	
	2025 RM’000	2024 RM’000
Expiring in 2028	85,010	85,010
Expiring in 2029	178,813	178,813
Expiring in 2030	27,446	27,446
Expiring in 2031	13,138	13,138
Expiring in 2032	114,194	114,194
Expiring in 2033	86,632	86,632
Expiring in 2034	27,425	27,425
Expiring in 2035	26,601	-
	559,259	532,658

30 PAYABLES

	Group		Company	
	2025 RM’000	2024 RM’000	2025 RM’000	2024 RM’000
Current liabilities:				
Trade payables	41,283	45,248	-	-
Other payables	53,132	78,442	2,550	2,658
Accruals	259,466	532,298	1,676	3,739
Unpaid balance for acquisition of property, plant and equipment				
- Current year addition (Note 33)	12,420	24,791	185	307
- Prior year addition	5,165	2,350	-	-
Total payables	371,466	683,129	4,411	6,704

Trade payables carry credit periods between 30 to 60 days (2024: 30 to 60 days).

Included in accruals is RM180,000,000 (2024: RM468,000,000) which relates to purchase of raw material.

The fair value of the payables approximates their carrying value, as the impact of discounting is not significant.

30 PAYABLES (CONTINUED)

The payables are denominated as follows:

	Group		Company	
	2025 RM’000	2024 RM’000	2025 RM’000	2024 RM’000
- Ringgit Malaysia	177,490	197,607	4,411	6,704
- United States Dollar	193,895	484,947	-	-
- Others	81	575	-	-
	371,466	683,129	4,411	6,704

31 BORROWINGS

	Group		Company	
	2025 RM’000	2024 RM’000	2025 RM’000	2024 RM’000
Non-current liabilities:				
Islamic term loans				
- Secured	52,133	151,938	52,133	151,938
Current liabilities:				
Islamic term loans				
- Secured	98,471	76,418	98,471	76,418
Bankers’ acceptances				
- Unsecured	704,872	665,639	-	-
	803,343	742,057	98,471	76,418
	855,476	893,995	150,604	228,356

All borrowings are denominated in Ringgit Malaysia.

Bankers’ acceptances

The average interest rates of the borrowings range approximately 4.00% to 4.99% (2024: 4.00% to 4.78%) per annum.

Islamic term loans

The average interest rates of the borrowings range approximately 5.50% to 5.79% (2024: 5.78% to 5.87%) per annum.

The Islamic term loans which have a tenure of 12 years (2024: 12 years) are secured against a leasehold land, debenture and certain bank balances of the Group.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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BORROWINGS (CONTINUED)

Islamic term loans (continued)

The Group and the Company are required to comply with certain financial covenants i.e. (i) Consolidated Net Debt and Financing to Equity Ratio, (ii) Consolidated Net Debt and Financing to Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”) Ratio and (iii) Consolidated Finance Payment Cover Ratio (collectively known as “financial covenants”). The financial covenants are to be complied with annually (2024: annually).

The Group and the Company would not have complied with one of the financial covenants i.e Consolidated Net Debt and Financing to Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”) Ratio.

On 31 December 2025, CIMB has issued a Supplemental Letter, informing MSM Malaysia Holdings Berhad that the Bank has agreed to waive two of the three financial covenants i.e. Consolidated Net Debt and Financing to EBITDA Ratio and Consolidated Finance Payment Cover Ratio for the financial year ended 31 December 2025. Therefore, the Group and the Company were not required to meet these two covenants. The Group and the Company have complied with the other covenant for the financial year ended 31 December 2025.

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SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances.

Federal Land Development Authority (“FELDA”), the Group and the Company’s ultimate holding body effective from 24 December 2020, is a statutory body corporate set up under the Land Development Act 1956, and controlled by the Malaysian Government. The Group considers that, for the purpose of MFRS 124 – “Related Party Disclosures”, the Malaysian Government is in the position to exercise significant influence over it. As a result, the Malaysian Government and Malaysian Government controlled bodies (collectively referred to as “government-related entities”) are related parties of the Group and the Company.

Apart from the individually significant transactions as disclosed in the financial statements, the Group and the Company have collectively, but not individually, significant transactions with other government-related entities which include but not limited to the following:

- Deposit placing with and deposit taking from government-related entities
- Utilities services provided by the government-related entities

These transactions are conducted in the ordinary course of the Group’s business on terms consistently applied in accordance with the Group’s internal policies and processes. These terms do not depend on whether the counterparties are government-related entities or not.

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SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

Related parties and their relationship with the Group are as follows:

Related parties	Relationship
Federal Land Development Authority (“FELDA”)	Ultimate holding body
FGV Holdings Berhad (“FGVH”)	Immediate holding company
Koperasi Permodalan FELDA Malaysia Berhad (“KPF”)	Related company
Felda Holdings Berhad (“FHB”)	Subsidiary of FGVH
FGV Chuping Agro Valley Sdn Bhd formerly known as MSM Perlis Sdn Bhd	Subsidiary of FGVH
FGV Integrated Farming Holdings Sdn Bhd (“FGVIF”)	Subsidiary of FGVH
FGV R&D Sdn Bhd (“FGV R&D”)	Subsidiary of FGVH
FGV Applied Technologies Sdn Bhd (“FGVAT”)	Subsidiary of FGVH
FGV Trading Sdn Bhd (“FGV Trading”)	Subsidiary of FGVH
KPF Trading Sdn Bhd (“KPF Trading”)	Subsidiary of KPF
KPF Niaga Sdn Bhd (“KPF Niaga”)	Subsidiary of KPF
Felda D’Saji Sdn Bhd (“D’Saji”)	Subsidiary of KPF
FGV Prodata Systems Sdn Bhd (“FPSB”)	Subsidiary of FHB
FGV Security Services Sdn Bhd (“FSS”)	Subsidiary of FHB
FGV Transport Sdn Bhd (“FGVT”)	Subsidiary of FHB
Felda Travel Sdn Bhd (“Felda Travel”)	Subsidiary of FHB
Delima Oil Products Sdn Bhd (“D.O.P”)	Subsidiary of FHB
FGV Kernel Products Sdn Bhd (“FKPSB”)	Subsidiary of FHB
FGV Johor Bulklers Sdn Bhd (“FGVJB”)	Subsidiary of FHB
Langsat Bulklers Sdn Bhd (“Langsat Bulklers”)	Subsidiary of FHB
MSM Sugar Refinery (Johor) Sdn Bhd (“MSM Johor”)	Subsidiary
MSM Logistics Sdn Bhd (“MSM Logistics”)	Subsidiary
MSM Prai Berhad (“MSM Prai”)	Subsidiary
MSM Trading & Distribution Sdn Bhd (“MSM Trading”)	Subsidiary

(a) Significant transactions with related parties

	Group		Company	
	2025 RM’000	2024 RM’000	2025 RM’000	2024 RM’000
(i) Transactions with FGVH and subsidiaries of FGVH:				
- management fees	3,571	3,401	2,063	1,964
- other services	301	620	18	102
- sales of refined sugar	(949)	(353)	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant transactions with related parties (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(ii) Transactions with FHB and subsidiaries of FHB:				
- sales of refined sugar	(3)	(16)	-	-
- security services (FSS)	3,910	4,068	-	-
- IT Services	112	151	112	101
- transportation services	14,119	15,530	-	-
- rental of tanker	-	90	-	-
- supply of backhaul transportation services	(9)	-	-	-
- other services	128	129	15	241
(iii) Transactions with subsidiaries of KPF:				
- provision of refreshment	120	113	120	109
(iv) Transaction with FELDA				
- rental	860	781	860	780
- donation	5	-	-	-
- other services	-	12	-	12
(v) Transactions with subsidiaries:				
Dividends received from:				
- MSM Prai			(119,988)	(100,354)
Dividends receivable from:				
- MSM Prai			(60,358)	(47,268)
Interest paid/payable to:				
- MSM Prai			1,604	2,295
Management fees from:				
- MSM Prai			(11,040)	(10,514)
- MSM Logistics			(365)	(347)
- MSM Johor			(5,172)	(4,925)
Office rental from:				
- MSM Johor			(15)	(15)
- MSM Prai			(264)	(232)
Land rental from:				
- MSM Johor			(2,167)	(2,167)

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SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant transactions with related parties (continued)

	Company	
	2025 RM'000	2024 RM'000
(v) Transactions with subsidiaries (continued):		
Lease interest recharge receivable from MSM Johor	(984)	(998)
	Group	
	2025 RM'000	2024 RM'000
(vi) Transactions between subsidiaries and government related financial institutions:		
Joint Industry incentive received/receivable from Ministry of Domestic Trade and Cost of Living (Kementerian Perdagangan Dalam Negeri dan Kos Sara Hidup)	(287,656)	(288,000)

These transactions were undertaken on agreed terms between the related parties.

(b) Significant financial year end balances are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Amount due from				
- Other related companies	37	145	-	-
Amount due to				
- Ultimate holding body, FELDA	(169)	(71)	(169)	(70)
- Immediate holding company, FGVH	(2,427)	(1,961)	(963)	(933)
- Other related companies	(7,886)	(8,437)	(93)	(132)
	(10,482)	(10,469)	(1,225)	(1,135)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Significant financial year end balances are as follows: (continued)

	Company	
	2025 RM'000	2024 RM'000
Amounts due from subsidiaries:		
- MSM Prai	66,639	49,685
- MSM Logistics	49	80
- MSM Johor	18,114	10,172
	84,802	59,937
Amounts due to subsidiaries:		
- MSM Johor	(8)	(11)
Lease receivable:		
- MSM Johor	80,253	81,436
Loans due to a subsidiary, net of repayments:		
- MSM Prai	(27,774)	(38,465)

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SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Key management personnel remuneration

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include Directors of the Company, and certain members of senior management of the Group.

The aggregate amount of emoluments received/receivable by Directors of the Group during the year is disclosed in Note 12 to the financial statements.

The aggregate amount of emoluments received/receivable by other key management personnel of the Group and Company during the year is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Salary, allowances and bonuses	9,415	10,094	6,168	6,528
Defined contribution plan	1,494	1,585	953	995
Other employee benefits	57	151	46	126
Total	10,966	11,830	7,167	7,649

Benefits-in-kind provided to other key management personnel of the Group and of the Company amounted to RM16,200 (2024: RM18,807) and RM16,200 (2024: RM18,807), respectively.

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PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Aggregate cost of property, plant and equipment (Note 16)	37,881	63,061	208	443
Capitalisation of borrowing cost (Note 10)	(1,473)	(2,241)	-	-
Unpaid balances included in other payables and accruals (Note 30)	(12,420)	(24,791)	(185)	(307)
Cash paid in respect of previous financial years acquisition	21,639	9,086	307	96
	45,627	45,115	330	232

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

34 LEASE LIABILITIES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	63,780	20,558	2,819	3,415
Addition	15,035	7,949	785	-
Remeasurement of lease liabilities	-	40,835	-	-
Payment of lease liabilities	(7,953)	(7,030)	(782)	(750)
Interest expense on lease liabilities	4,188	1,468	130	154
At 31 December	75,050	63,780	2,952	2,819
Classified as:				
Current	8,380	6,820	938	639
Non-Current	66,670	56,960	2,014	2,180
	75,050	63,780	2,952	2,819

35 CAPITAL COMMITMENTS

Capital expenditure not provided for in the financial statements are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Property, plant and equipment:				
- contracted and not provided for	64,076	79,162	-	-

36 FINANCIAL INSTRUMENTS

The analysis of classification of financial instruments are as follows:

Group	Amortised cost		Fair value through profit or loss	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
As at 31 December				
Financial assets				
Current assets				
Receivables	231,017	284,186	-	-
Amounts due from other related companies	37	145	-	-
Derivatives financial assets	-	-	43	1,697
Deposits, cash and bank balances	193,552	173,629	-	-
Total financial assets	424,606	457,960	43	1,697

Group	Liabilities at amortised cost		Liabilities at fair value through profit or loss	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial liabilities				
Non-current liabilities				
Borrowings	52,133	151,938	-	-
Lease liabilities	66,670	56,960	-	-
	118,803	208,898	-	-
Current liabilities				
Payables	371,466	683,129	-	-
Amount due to immediate holding company	2,427	1,961	-	-
Amounts due to other related companies	7,886	8,437	-	-
Amount due to ultimate holding body	169	71	-	-
Borrowings	803,343	742,057	-	-
Lease liabilities	8,380	6,820	-	-
	1,193,671	1,442,475	-	-
Total financial liabilities	1,312,474	1,651,373	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

36 FINANCIAL INSTRUMENTS (CONTINUED)

The analysis of classification of financial instruments are as follows: (continued)

Company	Amortised cost		Fair value through profit or loss	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
As at 31 December				
Financial assets				
Non-current assets				
Lease receivables	78,086	79,269	-	-
Current assets				
Receivables	11	21	-	-
Amount due from subsidiaries	84,802	59,937	-	-
Deposits, cash and bank balances	27,339	28,360	-	-
Lease receivables	2,167	2,167	-	-
	114,319	90,485	-	-
Total financial assets	192,405	169,754	-	-

36 FINANCIAL INSTRUMENTS (CONTINUED)

The analysis of classification of financial instruments are as follows: (continued)

Group	Liabilities at amortised cost		Liabilities at fair value through profit or loss	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial liabilities				
Non-current liabilities				
Borrowings	52,133	151,938	-	-
Lease liabilities	2,014	2,180	-	-
Loan due to subsidiary	26,170	36,170	-	-
	80,317	190,288	-	-
Current liabilities				
Payables	4,411	6,704	-	-
Amounts due to subsidiaries	8	11	-	-
Amounts due to other related companies	93	132	-	-
Amount due to ultimate holding body	169	70	-	-
Loan due to a subsidiary	1,604	2,295	-	-
Amount due to immediate holding company	963	933	-	-
Borrowings	98,471	76,418	-	-
Lease liabilities	938	639	-	-
	106,657	87,202	-	-
Total financial liabilities	186,974	277,490	-	-

37 FINANCIAL SUPPORT

The immediate holding company, FGV Holdings Berhad (“FGVH”) has confirmed its intention to continue to provide support so as to enable the Group to meet its obligation as and when they fall due.

38 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 26 March 2026.

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

Issued and Paid Up Share Capital : 702,980,000

Class of Shares : Ordinary share

Voting Right : One (1) vote per ordinary share

INFORMATION ON SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

No.	Name of Shareholders	Direct Interest		Deemed Interest	
		No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
1.	FGV Sugar Sdn Bhd	281,369,800	40.03	-	-
2.	Koperasi Permodalan Felda Malaysia Berhad	107,393,952	15.27	-	-
3.	FGV Holdings Berhad	77,150,248	10.97	281,369,800#	40.03
4.	Amanahraya Trustees Berhad	50,000,000	7.11	-	-

Note:

Deemed interested by virtue of its interest in FGV Sugar Sdn Bhd, its wholly-owned subsidiary

INFORMATION ON DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	Direct Interest		Deemed Interest	
		No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
1.	Datuk Syed Hisham Syed Wazir	-	-	-	-
2.	Datuk Dr Abd Hapiz Abdullah	-	-	-	-
3.	Dato' Dr Suzana Idayu Wati Osman	-	-	-	-
4.	Nurul Muhaniza Hanafi	-	-	-	-
5.	Dato' Mohd Banuri Aris	-	-	-	-
6.	Thanneermalai A/L SP SM Somasundaram	-	-	-	-
7.	Tan Chee Beng	-	-	-	-

INFORMATION ON GROUP CHIEF EXECUTIVE OFFICER'S SHAREHOLDINGS

No.	Name of Group Chief Executive Officer	Direct Interest		Deemed Interest	
		No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
1.	Dr Mazatul 'Aini Shahar Abdul Malek Shahar	-	-	-	-

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Shares
Less than 100	1,281	14.47	5,847	0.00
100 - 1,000	2,373	26.81	1,281,706	0.18
1,001 - 10,000	3,573	40.36	16,769,949	2.39
10,001 - 100,000	1,391	15.71	43,165,398	6.14
100,001 to less than 5%	230	2.60	125,843,100	17.91
5% and above	4	0.05	515,914,000	73.38
Total	8,852	100	702,980,000	100

LIST OF TOP 30 SHAREHOLDERS

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
1.	FGV SUGAR SDN BHD	281,369,800	40.03
2.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOPERASI PERMODALAN FELDA MALAYSIA BERHAD (448921)	107,393,952	15.27
3.	FGV HOLDINGS BERHAD	77,150,248	10.97
4.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	50,000,000	7.11
5.	AFFIN HWANG NOMINEES (ASING) SDN BHD DBS VICKERS SECS (S) PTE LTD FOR WII PTE LTD	13,452,000	1.91
6.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT- DBS BANK LTD FOR DEVA DASSAN SOLOMON (SG0700068062)	6,807,100	0.97
7.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSSMALL-CAP FUND	5,318,700	0.76
8.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (SINGAPORE BCH)	5,006,800	0.71
9.	TEOH HOOI BIN	4,793,600	0.68
10.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD LEMBAGA TABUNG HAJI (AIIMAN)	3,713,600	0.53
11.	TING CHEK HUA	3,229,400	0.46
12.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE MING CHENG (E-SPG/PJN)	2,577,700	0.37
13.	TEE MING CHENG	2,524,500	0.36
14.	RHB CAPITAL NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GREEN PRISCILLA LEE (1011127)	2,500,000	0.36

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

LIST OF TOP 30 SHAREHOLDERS (continued)

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
15.	TEE KONG PENG	2,500,000	0.36
16.	CHEN CHIH LIANG	2,408,500	0.34
17.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHARTWELL RISE SDN BHD (MP0564)	2,100,000	0.30
18.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	1,470,000	0.21
19.	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR VOON KHIAN JIN	1,240,500	0.18
20.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ESPRING ABSR EQ)	1,200,000	0.17
21.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DEVA DASSAN SOLOMON (E-SS2)	1,177,600	0.17
22.	CHONG YEW LONG	1,118,800	0.16
23.	TENG HEAN TEE	1,100,000	0.16
24.	TEOH KING LONG	1,020,000	0.15
25.	CHEN CHIN PENG	1,000,000	0.14
26.	MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR ASTUTE FUND MANAGEMENT BERHAD (EPF SHA NVGTOR)	947,800	0.13
27.	CHEN CHIN PENG	880,000	0.12
28.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR INBAMANAY A/P M J ARUMANAYAGAM (E-SS2)	862,100	0.12
29.	KHOR KENG SAW @ KHAW AH SOAY	860,200	0.12
30.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DEVA DASSAN SOLOMON (MY1091)	855,400	0.12

LIST OF TOP 10 MATERIAL PROPERTIES

No.	Location/ Address	Ownership/ Tenure	Year Lease Expiring	Approximate Area	Description/ Function	Years of Acquisition/ Registration new grant	Age - for buildings	Net Book Value (RM'000)	Rental per annum (RM'000)
1	PLO 46, Jalan Ipil 2, Tanjung Langsat Industrial Complex, Mukim Sungai Tiram, 81700 Pasir Gudang, Johor Darul Takzim	Owned	N/A	66,826.01 sq.m	Building for Sugar Refinery	2018	7	313,750	
2	PLO 46, Jalan Ipil 2, Tanjung Langsat Industrial Complex, Mukim Sungai Tiram, 81700 Pasir Gudang, Johor Darul Takzim	Leased	2075	50.63 acres (Land)	Land for Sugar Refinery	2016	N/A	73,015	
3	H.S. (D) 28162, Lot 286, Bandar Prai, Daerah Seberang Perai Tengah, Pulau Pinang – Plot A & B, 798, Main Road, 13600 Prai, Seberang Perai, Penang Malaysia	Leased	A lease for 30 years, expired on 30 November 2024. Extended for another 30 years expiring on 30 November 2054	97,494 sq.ft	Property erected with molasses tanks, refined sugar warehouse, raw sugar warehouse, container parking area, railway lines and packaging materials warehouse	1969	N/A	37,703	26
	H.S. (D) 28162, Lot 286, Bandar Prai, Daerah Seberang Perai Tengah, Pulau Pinang – Plot C, 798, Main Road, 13600 Prai, Seberang Perai, Penang Malaysia		A lease for 30 years, expired on 30 November 2024. Extended for another 30 years expiring on 30 November 2054		Property erected with raw sugar warehouse and miscellaneous materials warehouse				16
	H.S. (D) 28137, Lot 287, Bandar Prai, Daerah Seberang Perai Tengah, Pulau Pinang, 798, Main Road, 13600 Prai, Seberang Perai, Penang Malaysia		A lease for 30 years, expired on 30 November 2024. Extended for another 30 years expiring on 30 November 2054		Property erected with raw sugar warehouse and miscellaneous materials warehouse				163

LIST OF TOP 10 MATERIAL PROPERTIES

No.	Location/ Address	Ownership/ Tenure	Year Lease Expiring	Approximate Area	Description/ Function	Years of Acquisition/ Registration new grant	Age - for buildings	Net Book Value (RM'000)	Rental per annum (RM'000)
4	798, Main Road, 13600 Prai, Seberang Perai, Penang Malaysia	Owned	N/A	759,071 sq.ft	Building for Sugar refinery	1964	61	22,740	
5	Sebahagian Lot RAC 2003 (Lot A), Sungai Buloh, Mukim Gombak, Daerah Petaling, Selangor	Leased	A lease for 21 years/ Expiring on 31 January 2043	361,831.50 sq.ft	Development of the new siding/ additional siding and other related infrastructures for cranes and unload sugar from the wagon	2022	N/A	11,223	840
6	Lot 61, Jalan BRP 8/1. Perusahaan Bukit Rahman Putra, 47000 Sungai Buloh, Selangor.	Owned	N/A	11,598.75 m²	Facility for sugar distribution and storage and management office	1994	31	10,735	
7	H.S. (D) 28162, Lot 286, Bandar Prai, Daerah Seberang Perai Tengah, Pulau Pinang – Plot D, 798, Main Road, 13600 Prai, Penang	Leased	Expiring in May 2027	96,140 sq.ft	Property erected with raw sugar warehouse and miscellaneous materials	1988	N/A	4,796	324
8	Level 44, Menara Felda, Platinum Park, No. 11, Persiaran KLCC, 50088 Kuala Lumpur.	Leased	2028	15,631 sq.ft	MSM Headquarter	2012	N/A	2,668	782

LIST OF TOP 10 MATERIAL PROPERTIES

No.	Location/ Address	Ownership/ Tenure	Year Lease Expiring	Approximate Area	Description/ Function	Years of Acquisition/ Registration new grant	Age - for buildings	Net Book Value (RM'000)	Rental per annum (RM'000)
9	H.S.(D) : 85062, PT No. PT1113, Pekan Sungai Buloh, Daerah Gombak, Negeri Selangor.	Freehold	N/A	12,140.4764 m² (land)	Facility for sugar distribution and storage	1993 Registered new land title on 24 September 2016	N/A	2,228	
	Lot 60, Jalan BRP 8/1. Perusahaan Bukit Rahman Putra, 47000 Sungai Buloh, Selangor.								
	H.S.(D) : 85062, PT No. PT1113, Pekan Sungai Buloh, Daerah Gombak, Negeri Selangor.								
	Lot 61, Jalan BRP 8/1. Perusahaan Bukit Rahman Putra, 47000 Sungai Buloh, Selangor.								
	H.S.(D) : 85062, PT No. PT1113, Pekan Sungai Buloh, Daerah Gombak, Negeri Selangor.	Freehold	N/A	6,070.47 m² (land area)	Bays for trucks and primers	1993 Registered new land title on 24 September 2016	N/A	1,114	
	Lot 58, Jalan BRP 8/1. Perusahaan Bukit Rahman Putra, 47000 Sungai Buloh, Selangor.								
	H.S.(D) : 85062, PT No. PT1113, Pekan Sungai Buloh, Daerah Gombak, Negeri Selangor.								
	Lot 59, Jalan BRP 8/1. Perusahaan Bukit Rahman Putra, 47000 Sungai Buloh, Selangor.	Freehold	N/A	6,070.10 m² (land area)	Vacant land	1993 Registered new land title on 24 September 2016	N/A	1,114	
10	No. 6 & 8, Lengkok Kapal, Off Jalan New Ferry, 12100 Butterworth, Pulau Pinang	Leased	December 2026	14,000 sq.ft	Refined Sugar Warehouse	2024	N/A	325.42	352.80

MSM MALAYSIA HOLDINGS BERHAD

Registration No. 201101007583 (935722-K)

Level 44, Menara FELDA
Platinum Park, No. 11
Persiaran KLCC
50088 Kuala Lumpur

Tel No. : +603 2181 5018
Fax No. : +603 2181 5015