S.D.S

SINCE 1987

SDS Group Berhad

201701026951 (1241117-T)

Share Dine Smile

Annual Report 2026

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About Us

SDS GROUP BERHAD, THROUGH ITS SUBSIDIARIES ("SDS"), IS PRIMARILY INVOLVED IN THE MANUFACTURING AND RETAILING OF BAKERY PRODUCTS.

" ALIGNED WITH OUR **"SHARE, DINE, SMILE"** MOTTO, SDS ENVISIONS TO GIVE ITS VALUED CUSTOMERS THE MOST UNIQUE AND ENJOYABLE DINING EXPERIENCE.

Since its establishment in 1987, SDS grew from its Johor homebase throughout the Peninsular of Malaysia with three brands, namely the retail brand "SDS" and two wholesale brands, "Top Baker" and "Daily's".

Our retail segment manufactures and sells products via retail outlets operated under three (3) different concepts namely, bakery, cafeteria, and bakery-cum-cafeteria. SDS strives to offer a wide variety of quality products valuable for money and serve with excellent customer service. Aligned with our "Share, Dine, Smile" motto, SDS envisions to give its valued customers the most unique and enjoyable dining experience.

Top Baker and Daily's offer products for the mass market across the Peninsula of Malaysia and Singapore. We produce and distribute our products via our distribution network, which is supported by our in-house team of logistics personnel.

Corporate Information

BOARD OF DIRECTORS

Dr. Lim Pang Kiam
Independent
Non-Executive Chairman

Tan Kim Seng
Managing Director

Tan Kim Chai
Executive Director

Tan Yon Haw
Executive Director

Tan Kee Jin
Executive Director

Patricia Rangene Packium
Independent
Non-Executive Director

Lee Yee Ling
Independent
Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Lee Yee Ling
Chairperson/Independent
Non-Executive Director

Dr. Lim Pang Kiam
Member/Independent
Non-Executive Chairman

Patricia Rangene Packium
Member/Independent
Non-Executive Director

NOMINATING AND REMUNERATION COMMITTEE

Patricia Rangene Packium
Chairperson/Independent
Non-Executive Director

Dr. Lim Pang Kiam
Member/Independent
Non-Executive Chairman

Lee Yee Ling
Member/Independent
Non-Executive Director

COMPANY SECRETARY

Siew Suet Wei
(MAICSA NO.: 7011254)
SSM Practicing Certificate No.
202008001690

AUDITORS

Crowe Malaysia PLT
201906000005
(LLP0018817-LCA) & AF 1018
E-2-3 Pusat Komersial Bayu Tasek
Persiaran Southkey 1, Kota Southkey
80150 Johor Bahru, Johor
Tel No.: +607-288 6627
Fax No.: +607-388 4627

WEBSITE

www.sdsgroups.com

SHARE REGISTRAR

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Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel No.: +603-2783 9299
Fax No.: +603-2783 9222

REGISTERED OFFICE

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No. 3 Jalan SS20/27
47400 Petaling Jaya, Selangor
Tel No.: +603-7727 0033
Fax No.: +603-7728 8955

BUSINESS ADDRESS

No. 5, Jalan Selatan 8
(Off Jalan Kempas Lama)
Kawasan Perusahaan Ringan Pulai
81200 Johor Bahru, Johor
Tel No.: +607-288 8305
Email: info@sdsgroups.com

PRINCIPAL BANKERS

Hong Leong Bank Berhad
Malayan Banking Berhad
Public Bank Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(Main Market)
Stock Name & Code: SDS 0212
Sector: Consumer Products &
Services

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Corporate Structure

SDS GROUP BERHAD
201701026951 (1241117-T)

- 100% — **SDS Enterprise Sdn. Bhd.** 201501018039 (1143371-K)
- 100% — **SDS Food Manufacturing Sdn. Bhd.** 199201011621 (243124-V)
- 100% — **Super Arrow Trading Pte. Ltd.** 200819157G
- 100% — **London Bakery Sdn. Bhd.** 202501033447 (1634857-T)
- 100% — **Daily Bakery Sdn. Bhd.** 198901013459 (190769-H)
- 100% — **SDS Bakery & Cafeteria Sdn. Bhd.** 199501030107 (359313-D)
- 100% — **SDS Top Baker Sdn. Bhd.** 200701036505 (794534-T)
- 51% — **City Cake House Sdn. Bhd.** 200001014725 (517331-P)

◆ Retail Channel
◆ Wholesale Channel

Financial Highlights

Financial year ended		2022	2023	2024	2025	2026
Revenue	(RM'000)	198,283	283,667	324,063	345,668	**335,245**
Profit After Taxation attributable to the owner of the Company ("PAT")	(RM'000)	10,618	24,529	32,551	33,283	**26,823**
Total Assets	(RM'000)	143,090	161,873	193,421	228,498	**248,700**
Shareholders' Equity attributable to the owner of the Company	(RM'000)	81,527	103,426	127,777	155,195	**173,777**

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Profile of Directors

Dr. Lim Pang Kiam

Independent Non-Executive Chairman

Nationality:
Malaysian

Age:
63

Gender:
Male

Dr. Lim Pang Kiam was appointed to our Board of Directors ("Board") on 4 September 2018. He obtained a Bachelor of Science (Honours) in Housing, Building and Planning and a Master of Science in Planning from Universiti Sains Malaysia in 1988 and 1989 respectively. In 2020, he also obtained a Doctor of Philosophy in Business Administration from SEGi University. He is a fellow member of the Chartered Institute of Management Accountants, a member of the Malaysian Institute of Accountants, the Chartered Global Management Accountant and the ASEAN Chartered Professional Accountants.

He spent 15 years with local banks in various roles before moving to the commercial sector as Finance Director, Executive Director, and Chief Executive Officer.

He was appointed as the External Advisory Committee member by Sunway University for a 3-year term expiring on 31 October 2026.

Dr. Lim Pang Kiam currently serves as the Independent Non-Executive Chairman of Engtex Group Berhad and Inta Bina Group Berhad and Non-Independent Non-Executive Chairman of LGMS Berhad. He is also the Non-Independent Non-Executive Director of Lagenda Properties Berhad. All companies are listed on the Main Market of Bursa Malaysia Securities Berhad.

Dr. Lim Pang Kiam is a member of both the Audit and Risk Management Committee and Nominating and Remuneration Committee of the Company respectively.

Dr. Lim Pang Kiam attended all five (5) Board Meetings of the Company held during the financial year ended 31 March 2026.

Tan Kim Seng

Managing Director

Nationality: Malaysian	**Age:** 69	**Gender:** Male

Mr. Tan Kim Seng was appointed to our Board on 4 September 2018. He is the co-founder of SDS Food Manufacturing Sdn. Bhd. and has spearheaded the business growth of our Group since its inception in 1987. He is responsible for formulating and implementing the overall business strategy and corporate development of our Group.

He is considered an industry veteran with more than 50 years of working experience in the bakery industry. In 1995, he led the Group to venture into the Cafeteria business and diversified the Group into the wholesale channel, establishing the "Top Baker" brand in 2008. In 2016, he led the Group to expand further within the wholesale trade market, by acquiring Daily Bakery Sdn. Bhd. and establishing our manufacturing footprint in the central region (Seremban).

Under the leadership of Mr. Tan Kim Seng and his brother, Mr. Tan Kim Chai, our Group has grown from a small retail bakery with only 5 employees to an organisation with approximately 1,800 employees.

Mr. Tan Kim Seng attended all five (5) Board Meetings of the Company held during the financial year ended 31 March 2026.

Tan Kim Chai

Executive Director

Nationality: Malaysian	**Age:** 64	**Gender:** Male

Mr. Tan Kim Chai was appointed to our Board on 4 September 2018. He is the co-founder of SDS Food Manufacturing Sdn. Bhd.

He has 46 years of working experience in the bakery industry. In 1999, he spearheaded the Group's expansion of the distribution channel into Singapore by manufacturing bakery products on an OEM basis. With the Group's diversification into the wholesale channel, he was mainly responsible for overseeing our wholesale logistic activities and establishing an extensive distribution network.

In 2019, he took on the role of overseeing the Group's sales and marketing division for the wholesale channel. Together with his brother, Mr. Tan Kim Seng, they transformed our Group from a small retail bakery with only 5 employees to an organisation with approximately 1,800 employees.

Mr. Tan Kim Chai attended all five (5) Board Meetings of the Company held during the financial year ended 31 March 2026.

Profile of Directors

Tan Yon Haw

Executive Director

Nationality: Malaysian

Age: 49

Gender: Male

Mr. Tan Yon Haw was appointed to our Board on 4 September 2018.

Following the Group's venture into the wholesale channel, he was in-charge of the production activities for the wholesale channel. In 2008, he was promoted to Head of Production and was in-charge of the day-to-day operations of the wholesale channel, which include production, purchasing, inventory management, and research and development activities.

Mr. Tan Yon Haw attended all five (5) Board Meetings of the Company held during the financial year ended 31 March 2026.

Tan Kee Jin

Executive Director

Nationality: Malaysian

Age: 42

Gender: Male

Mr. Tan Kee Jin was appointed to our Board on 4 September 2018.

He graduated from the University of Western Australia with a Bachelor of Commerce degree in 2007.

He joined the Group in 2006 and was involved in overseeing the daily invoicing operations and managing products logistics at our retail outlets.

In 2008, he was re-assigned to the Business Development Department and promoted to Business Development Manager in 2012. In 2015, he was promoted to Executive Director of SDS Food Manufacturing Sdn. Bhd., and was responsible for developing and implementing strategies to drive our Group's retail revenue and growth.

Mr. Tan Kee Jin attended all five (5) Board Meetings of the Company held during the financial year ended 31 March 2026.

Patricia Rangene Packium

Independent Non-Executive Director

Nationality: Malaysian	**Age:** 52	**Gender:** Female

Ms. Patricia Rangene Packium was appointed to our Board on 25 October 2022. She is the Chairperson of our Nominating and Remuneration Committee.

She obtained her Bachelor of Laws from University of London in 1997 and later went on to complete her Certificate of Legal Practice in 2001. She was later admitted as an Advocate and Solicitor of the High Court of Malaya in 2002.

She has been involved in private legal practice since the start of her career mainly involving conveyancing, banking and corporate matters as well as general civil litigation. She commenced legal practice at Messrs Jesvant & Co (now known as Chambers of Jesvant Singh) in 2002 and in 2010 joined Messrs Rahim & Lawrnee before resuming practice at Chambers of Jesvant Singh in 2012. In 2015, she set up her own legal practice under Patricia Packium & Associates as a sole proprietor, a position she holds to date.

She currently sits on the Board of SCGM Bhd as Senior Independent Non-Executive Director.

Ms. Patricia Rangene Packium is a member of both the Audit and Risk Management Committee and Nominating and Remuneration Committee of the Company respectively.

Ms. Patricia Rangene Packium attended all five (5) Board Meetings of the Company held during the financial year ended 31 March 2026.

Lee Yee Ling

Independent Non-Executive Director

Nationality: Malaysian	**Age:** 42	**Gender:** Female

Ms. Lee Yee Ling was appointed to our Board on 25 October 2022. She is the Chairperson of our Audit and Risk Management Committee.

She obtained her Bachelor of Science (Honours) in Business and Management studies from University of Bradford, UK in 2006. In 2006, she began her career as a Production Planning Executive in Hitachi Koki (M) Sdn. Bhd. In 2008, she left Hitachi Koki (M) Sdn. Bhd. to join Lee Heng High Precision Engineering Sdn. Bhd. as a Marketing Executive. She was subsequently promoted to Marketing Manager in 2010, where she was involved in the formulation of marketing strategy, operation management, resource planning and financial planning. She was appointed as General Manager in 2013 and then appointed as its Executive Director in the same year, a position she still holds to date.

She currently sits on the Board of SCGM Bhd as Independent Non-Executive Director.

Ms. Lee Yee Ling is a member of both the Audit and Risk Management Committee and Nominating and Remuneration Committee of the Company respectively.

Ms. Lee Yee Ling attended all five (5) Board Meetings of the Company held during the financial year ended 31 March 2026.

Profile of Directors

ADDITIONAL INFORMATION

Family Relationship of Directors
Save as disclosed below, none of the Directors has any family relationship with any Directors and/or major shareholders of the Company:

1) Tan Kim Seng and Tan Kim Chai are brothers;
2) Tan Kee Jin is the son of Tan Kim Seng;
3) Tan Yon Haw is the nephew of Tan Kim Seng and Tan Kim Chai;
4) Tan Kee Jin is the nephew of Tan Kim Chai; and
5) Tan Yon Haw and Tan Kee Jin are cousins.

Conflict of Interest
None of the directors has any conflict of interest with the Company.

Conviction of Offence
None of the directors has conviction for any offences within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Securities Holdings
The particulars of the directors' shareholdings are set out in page 144 of this Annual Report.

Profile of Key Senior Management

Tan Kee Meng

Chief Financial Officer

Nationality: Malaysian

Age: 38

Gender: Male

Tan Kee Meng is responsible for overseeing our Group's finance-related functions including the execution of financial reporting, compliance of tax matters and maintenance of internal controls.

He graduated with a Bachelor of Commerce with double majors in accounting and finance from University of Queensland, Australia in 2010. He became a member of CPA Australia in 2015 and a Chartered Accountant (Singapore) of Institute of Singapore Chartered Accountants in 2016. He has been a registered member of Malaysian Institute of Accountants since 2017.

In 2011, he started his career with KPMG LLP in Singapore as an Audit Associate and was subsequently promoted to Audit Manager in 2016. During his stint there, he audited private limited companies as well as public listed companies across various different industries such as manufacturing, trading, airline and tourism. He was involved in conducting independent statutory financial audit works and special assignments such as due diligence reviews. He left the firm in 2017 and assumed his current position.

ADDITIONAL INFORMATION

Family Relationship of Key Senior Management
Save as disclosed below, the Key Senior Management has no family relationship with any Directors and/or major shareholders of the Company:

1) Tan Kee Meng is the son of Tan Kim Seng and brother of Tan Kee Jin; and
2) Tan Kee Meng is the nephew of Tan Kim Chai and cousin of Tan Yon Haw.

Conflict of Interest
The Key Senior Management has no conflict of interest with the Company.

Conviction of Offence
The Key Senior Management has no conviction for any offences within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

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Management Discussion and Analysis

FY2026 WAS A YEAR OF STRATEGIC INVESTMENT FOR SDS GROUP BERHAD, AS THE GROUP CONTINUED TO STRENGTHEN ITS MANUFACTURING CAPABILITIES AND POSITION ITSELF FOR FUTURE GROWTH.

OVERVIEW OF FY2026

FY2026 was a year of strategic investment for SDS Group Berhad ("SDS" or the "Group"), as the Group continued to strengthen its manufacturing capabilities and position itself for future growth. Revenue stood at RM335.2 million, a marginal decline of 3.0% from RM345.7 million in FY2025, amid softer consumer spending. Despite this, SDS remained profitable, supported by its established retail and wholesale network, strong brand presence and prudent operational management while adapting to evolving consumer preferences and market conditions.

During the year, the Group undertook several strategic initiatives to strengthen its future growth platform. These included expanding its manufacturing footprint and production capabilities through the acquisition of bakery manufacturing assets, as well as advancing plans for future capacity expansion through investments in new facilities and infrastructure. The Group also established a new wholly-owned subsidiary to support future business opportunities and production growth. Collectively, these initiatives are expected to support product diversification, enhance operational efficiency and reinforce the Group's competitive position within the bakery industry.

In addition to its growth initiatives, SDS remained committed to creating long-term shareholder value through prudent capital management. During the year, the Group also strengthened shareholder value through successful completion of SDS's bonus issue exercise, representing its first shareholder reward initiative since its listing apart from dividend distributions. The exercise was undertaken to improve the trading liquidity and affordability of SDS shares, while broadening shareholder participation. SDS also continued its share buy-back programme as part of its ongoing capital management initiatives.

While operating conditions remained competitive, the Group remained focused on strengthening its operational resilience, executing its long-term growth strategy and positioning the business to capture future opportunities, thereby creating sustainable value for shareholders and stakeholders alike.

FINANCIAL PERFORMANCE

A summary of the Group's key financial indicators and year-on-year movements is presented below.

INDICATORS	FY2026 (RM'000)*	FY2025 (RM'000)*	Movements (%)
Revenue	335,245	345,668	-3.0
Gross Profit	111,475	118,332	-5.8
Gross Profit Margin (%)	33.3	34.2	-2.6
Profit before tax	34,503	44,301	-22.1
Profit after tax attributable to owners of the Company	26,823	33,283	-19.4

* *Figures are reflected in RM'000 unless otherwise stated*

"SDS REMAINED PROFITABLE, SUPPORTED BY ITS ESTABLISHED RETAIL AND WHOLESALE NETWORK, STRONG BRAND PRESENCE AND PRUDENT OPERATIONAL MANAGEMENT WHILE ADAPTING TO EVOLVING CONSUMER PREFERENCES AND MARKET CONDITIONS.

Management Discussion and Analysis

SDS REMAINED PROFITABLE IN FY2026 WHILE CONTINUING TO INVEST IN EXPANDING ITS MANUFACTURING CAPABILITIES AND STRENGTHENING ITS PLATFORM FOR FUTURE GROWTH. THE GROUP RECORDED REVENUE OF RM335.2 MILLION COMPARED WITH RM345.7 MILLION IN FY2025. THE MARGINAL DECLINE OF 3.0% WAS PRIMARILY ATTRIBUTABLE TO SOFTER CONSUMER DEMAND AND CAUTIOUS CONSUMER SPENDING.

Despite the lower revenue, SDS generated profit before tax of RM34.5 million and profit after tax of RM27.0 million. The decline in profitability was mainly attributable to the lower revenue base and competitive market conditions during the year. Nevertheless, the Group continued to deliver healthy earnings, reflecting the resilience of its retail and wholesale business model.

A significant milestone during the year was the acquisition by SDS Top Baker Sdn. Bhd. of factories, production lines and trademarks from Mamee Bakery Sdn. Bhd. for a total consideration of RM28.0 million. The acquisition supports the Group's expansion into longer shelf-life bakery products, including Swiss Rolls, and is expected to enhance SDS's manufacturing capabilities and product offerings. Commercial production is targeted to commence in FY2027, providing the Group with an additional platform for future growth.

In line with its long-term expansion strategy, SDS also established a wholly-owned subsidiary, London Bakery Sdn. Bhd., in November 2025 to support future business opportunities and production growth. In addition, the Group announced the proposed acquisition of a strategically located freehold industrial land in Tebrau, Johor Bahru, directly opposite its existing operational facilities. The proposed acquisition is intended to facilitate future manufacturing expansion, improve operational integration and enhance logistics efficiency. The proposed acquisition is subject to shareholders' approval at an extraordinary general meeting to be convened.

Cash and cash equivalents stood at RM30.8 million as of 31 March 2026 compared with RM48.0 million in FY2025. The reduction was primarily attributable to capital investments undertaken during the year, including the acquisition of factories, production assets and trademarks from Mamee Bakery Sdn. Bhd. as well as deposits paid for the proposed land acquisition. Despite these investments, SDS maintained a healthy liquidity position and conservative capital structure.

Earnings per share decreased to 4.93 sen from 6.09 sen in FY2025, in line with the lower profit attributable to shareholders. Net assets per share stood at RM0.32 compared with RM0.38 in the previous financial year due to increase in number of outstanding shares following the bonus issue.

In line with its commitment to delivering sustainable shareholder value, the Group declared and paid total dividends of RM5.4 million in FY2026, comprising RM2.7 million in respect of FY2025 and RM2.7 million in respect of FY2026. The total dividend declared in respect of FY2026 amounted to RM8.1 million, representing a dividend pay-out ratio of 30.3% compared with 20.5% in FY2025. This reflects the Board's continued commitment to rewarding shareholders while maintaining a prudent balance between shareholder returns and capital retained to support future growth and investment.

The successful completion of the bonus issue exercise during the year further enhanced the liquidity and affordability of SDS shares and reflected management's confidence in the Group's long-term prospects.

Overall, the Group continued to balance profitability, shareholder returns and strategic investments, positioning SDS to capitalise on future growth opportunities while maintaining financial strength and operational resilience.

BUSINESS AND OPERATIONAL HIGHLIGHTS

Segmental Performance

RETAIL

In FY2026, the retail segment contributed 38.7% of Group revenue, equivalent to approximately RM129.7 million based on Group revenue of RM335.2 million. The segment continued to support SDS's brand presence through its network of outlets, cafe offerings and direct customer engagement, with the Group remaining focused on serving the mass market through quality, affordable and value-for-money bakery and F&B products.

During the year, SDS continued to strengthen its retail proposition through product refreshment, seasonal offerings and outlet-driven customer engagement. Seasonal products recorded improved sales, reflecting the Group's ability to respond to market trends and changing consumer preferences. Meanwhile, ready-to-eat products were temporarily repositioned during FY2026, with a new series planned for launch through the Group's Express outlet concept. This concept is intended to offer simple, fast-moving and convenient products, allowing SDS to cater to customers seeking quicker and more accessible food options.

The Group also continued to develop its cafe proposition. Management intends to refresh cafe menu offerings, as well as intensify promotional and marketing activities. These initiatives are expected to improve revenue capture, protect margins and reinforce SDS's positioning as a family-oriented, affordable and money-for-value brand.

Management Discussion and Analysis

WHOLESALE

The wholesale segment remained the Group's larger revenue contributor in FY2026, accounting for 61.3% of Group revenue, equivalent to approximately RM205.5 million. The segment continued to benefit from SDS's established distribution network and broad market reach, although operating conditions became more challenging during the year due to cautious consumer spending.

In response, management placed greater emphasis on route productivity, cost effectiveness, product development and product differentiation. The Group reorganised existing sales routes to improve cost efficiency and continued to leverage its distribution network to introduce new product categories. These initiatives are intended to support more efficient market coverage while preserving competitiveness in a price-sensitive environment.

Product innovation remained an important driver for the wholesale segment. Management focused on improving product quality, shelf life and uniqueness, with selected products achieving encouraging sales traction during the year. These initiatives are consistent with the Group's objective of defending market share, responding to competitive pressure and building a broader product platform for future growth.

Operational Improvements and Cost Efficiency

Operational efficiency remained a key area of focus in FY2026 as the Group's business scale increased in line with additional outlets and a wider operating footprint. To support better control and manageability, SDS continued to explore digital solutions and upgrade its existing software and mobile applications. These initiatives are intended to enable more automated processes, improve visibility across operations and strengthen the Group's ability to manage manpower, production, logistics and supply chain activities.

For retail operations, the Group's increasing cafe menu variety and planned outlet expansion reinforced the need for stronger retail management systems to control food costs and operating expenses. For wholesale operations, route reorganisation and closer monitoring of sales productivity were used to improve cost effectiveness and support more efficient distribution. Management also identified menu simplification, production automation and cost leadership as key measures to mitigate cost inflation and protect margins.

During FY2026, SDS invested in longer-term operating capacity to support future growth. The Group acquired seven factory lots and related assets from Mamee Bakery Sdn. Bhd., including production lines for longer shelf-life cakes such as Swiss Rolls. The Group expects to commence production and sale of these products in FY2027, which is anticipated to broaden its product range and strengthen its ability to meet evolving customer demand.

Human Capital and Workforce Optimisation

Human capital remained a critical element of the Group's operating model, particularly as SDS continued to expand its retail footprint and manage a broad wholesale distribution network. The employment market remained challenging during the year, and management expects labour conditions to remain tight in the near term. Against this backdrop, the Group continued to focus on improving the productivity of its sales and operations teams while using process automation and system upgrades to support more efficient deployment of manpower.

The Group's workforce strategy is closely linked to its operational efficiency agenda. As business volume and outlet requirements grow, SDS will need to balance recruitment, training and retention with greater use of digital tools, standardised processes and performance monitoring. These measures are expected to support service consistency, reduce operational leakage and allow the Group to scale its business more sustainably.

Market Positioning and Customer Engagement

SDS continued to position itself as a domestic bakery and F&B brand serving the mass market with affordable, practical and quality offerings. This positioning is important in the current competitive landscape, where certain new market players are targeting the higher-end segment while SDS remains focused on broad-based and value-conscious consumers.

Customer engagement remained centred on product relevance, affordability and promotional activity. For retail customers, the Group continued to use seasonal offerings, cafe menu refreshment, outlet upgrades and value-added product offerings to encourage repeat visits and strengthen brand loyalty. For wholesale customers, management focused on product differentiation and improvement in delivery service which enhanced product offerings and product presence.

The Group also sees opportunities to broaden its market reach through its existing distribution network, including the introduction of new product categories. In addition, SDS's halal positioning presents a potential avenue to penetrate foreign Muslim markets over the longer term, subject to market readiness, product suitability and execution capability.

OUTLOOK AND PROSPECTS

LOOKING AHEAD TO FY2027, MANAGEMENT EXPECTS THE OPERATING ENVIRONMENT FOR THE BAKERY AND F&B SECTOR TO REMAIN CHALLENGING. NONETHELESS, SDS REMAINS POSITIVE ON ITS ABILITY TO COMPETE WITHIN ITS TARGET MARKET.

The Group's affordable and value-for-money positioning provides resilience in a more cautious consumer environment, particularly as competitors in certain areas focus on premium offerings. Management will continue to prioritise cost leadership, operational discipline and product innovation to support sustainable growth.

For the retail segment, the Group's key strategic priorities include new outlet expansion, refreshing existing outlets through renovation and upgrading works, and strengthening the SDS brand through a broader and more value-added product range. The planned facelift of existing outlets, supported by a new interior design concept, is intended to revitalise outlet appeal and enhance the customer experience. Management also plans to explore new concepts and introduce new product lines that will differentiate SDS from its existing product offerings.

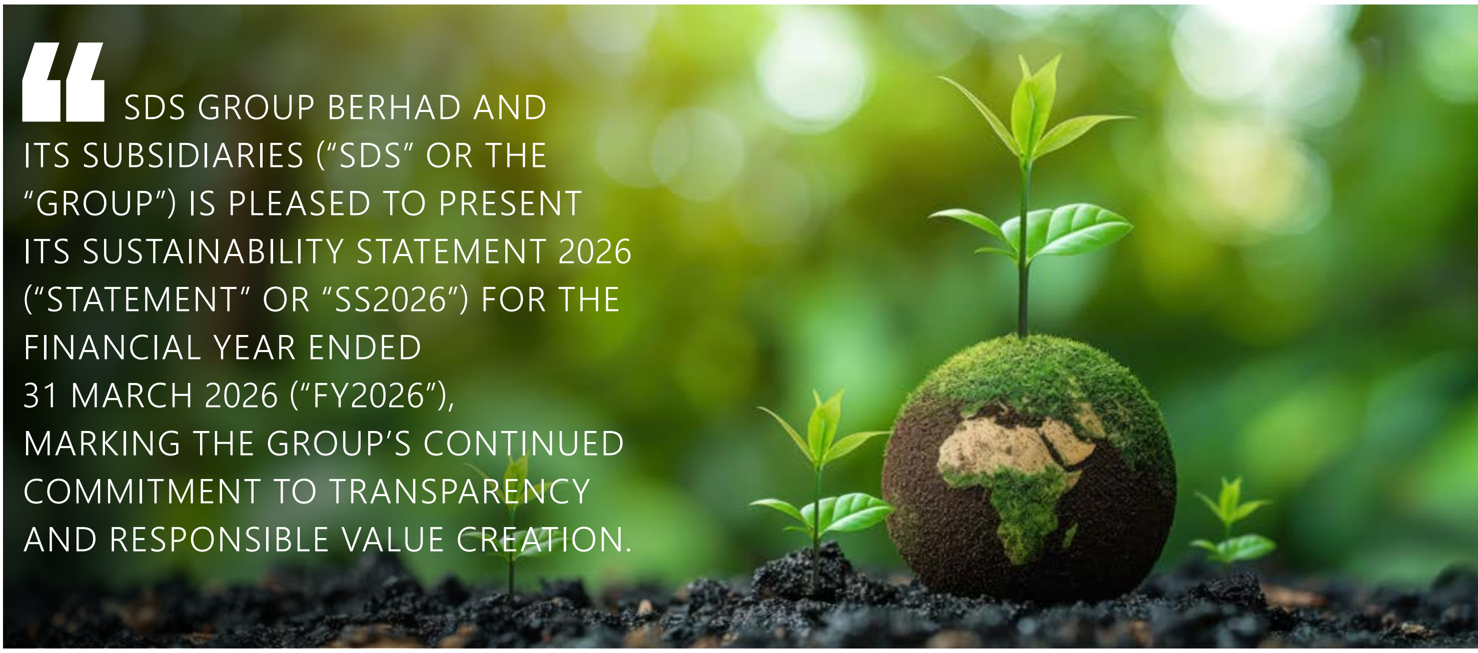
For the wholesale segment, SDS will focus on cost effectiveness, route productivity, product research and development, and product differentiation. The Group intends to improve selected products from the perspectives of quality, expiry date and uniqueness, while leveraging its distribution network to introduce new product categories. These efforts are expected to help mitigate competitive pressure from imported bakery products and support more resilient sales performance.

The Group's capacity-related initiatives are expected to support its medium-term growth plans. The acquisition of factory lots and production assets for longer shelf-life cakes is expected to enable production and sale of new products in FY2027, while the proposed Tebrau land acquisition and future manufacturing facility are intended to support SDS's longer term production requirements. These investments are aligned with the Group's objective of strengthening its market positioning, improving operational integration and widening its product platform.

Overall, SDS will continue to adopt a prudent but growth-oriented approach in FY2027. Management's priorities are to defend margins amid cost inflation, improve productivity across sales and operations, enhance customer engagement through rebranding and product innovation, and build the operating capacity required for the next phase of growth.

Sustainability Statement

ABOUT THIS STATEMENT



"SDS GROUP BERHAD AND ITS SUBSIDIARIES ("SDS" OR THE "GROUP") IS PLEASED TO PRESENT ITS SUSTAINABILITY STATEMENT 2026 ("STATEMENT" OR "SS2026") FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 ("FY2026"), MARKING THE GROUP'S CONTINUED COMMITMENT TO TRANSPARENCY AND RESPONSIBLE VALUE CREATION.

As a homegrown food and beverage group operating across retail and wholesale segments, SDS recognises that sustainable growth is closely linked to strong economic performance, responsible environmental stewardship and sound governance practices. In this regard, the Group continues to strengthen the integration of environmental, economic, social and governance ("EESG") considerations into its operations, ensuring that sustainability remains embedded across its value chain from sourcing and production to customer engagement.

Building on the foundations established in previous years, SS2026 reflects SDS's ongoing efforts to integrate sustainability across its operations. Through this Statement, SDS aims to provide stakeholders with a balanced and meaningful account of its sustainability journey, while continuing to strengthen internal processes, risk management practices and stakeholder engagement to support sustainable and resilient business growth.

SCOPE AND BOUNDARY

This Statement covers the operations of SDS Group Berhad and all subsidiaries within the Group, encompassing their three core business segments:

SEGMENT	COMPANY
Retail	• SDS Food Manufacturing Sdn. Bhd. ("SDS Food") • SDS Bakery & Cafeteria Sdn. Bhd. • City Cake House Sdn. Bhd. • SDS Enterprise Sdn. Bhd.
Wholesale	• Daily Bakery Sdn. Bhd. ("Daily Bakery") • SDS Top Baker Sdn. Bhd. ("SDS Top Baker") • Super Arrow Trading Pte. Ltd. • London Bakery Sdn. Bhd.
Other	• SDS Group Berhad

The reporting boundary is determined based on the Group's operational control, ensuring that disclosures encompass entities where SDS exercises management oversight. The reporting period spans from 1 April 2025 to 31 March 2026. Unless otherwise stated, all data and information disclosed reflect activities within this timeframe. Where applicable and data is available, the Statement includes up to three years of historical data to provide context and trend comparison.

It is encouraged to view this Statement together with the SDS Annual Report 2026 for a holistic perspective on the Group's financial and non-financial performance.

REPORTING GUIDELINES AND REFERENCE

This Statement has been prepared based on all available internal data and in accordance with Paragraph 29, Part A of Appendix 9C and Practice Note 9 of Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements") on sustainability statements. It is further guided by other relevant accounting, financial, and sustainability frameworks, as outlined below:

- Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
- Global Reporting Initiative ("GRI") 2021 (Core Option)
- Malaysian Code on Corporate Governance 2021 ("MCCG 2021")
- United Nations Sustainable Development Goals ("UN SDGs")

STATEMENT OF USE

The Board of Directors of SDS (the "Board"), being the Group's top decision-making authority, recognises its responsibility for the following declaration:

The information presented by SDS for FY2026 has been diligently prepared with reference to the GRI Standards and the UN SDGs.

DATA COLLECTION AND QUALITY

Sustainability data presented for FY2026 has been sourced from across the Group's operations, with respective business units responsible for the collection, verification and validation of information.

SDS remains committed to strengthening its data governance practices and continuously enhancing its internal processes for data collection, validation and analysis. Ongoing improvements in these areas are intended to support more robust disclosures and reinforce the overall quality and integrity of the Group's sustainability reporting over time.

EXCLUSIONS, LIMITATIONS, AND DISCLAIMERS

SDS acknowledges certain limitations in data availability for selected performance indicators, particularly those reliant on third-party sources or newly introduced metrics. The Group is actively enhancing its data governance processes to support more consistent and comprehensive disclosures in future reporting cycles.

This Statement also includes forward-looking statements concerning strategic plans, targets, and performance outlooks. These statements are based on current expectations and reasonable assumptions under prevailing business conditions, and actual results may differ due to changes in market dynamics, economic factors, or other circumstances beyond the Group's control.

REPORT AVAILABILITY AND FEEDBACK

This SS2026 may be accessed at https://sdsgroups.com/ir-home/.

SDS is committed to transparent and inclusive stakeholder engagement. Feedback, questions, and suggestions regarding sustainability performance and disclosures are greatly welcomed, and can be directed to:

Investor Relations
SDS Group Berhad
No. 5, Jalan Selatan 8 (Off Jalan Kempas Lama),
Kawasan Perusahaan Ringan Pulai,
81200 Johor Bahru, Johor.
Tel: +(607) 288 8305
Email: info@sdsgroups.com

OUR SUSTAINABILITY STRATEGY

SUSTAINABILITY PILLARS

Pillars	UNSDGs	UNSDG Targets	Highlights and Achievements
Sustainability Governance	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Target 16.5:** Substantially reduce corruption and bribery in all their forms	• Zero instances of non-compliance • Zero reported incidents of data breaches
Economic Value Created	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**Target 9.2:** Promote inclusive and sustainable industrialisation and, by 2030, significantly raise the industry's share of employment and gross domestic product in line with national circumstances, and double its share in least developed countries	• RM337.3 million in economic value generated • 93.5% of local procurement spend • 100% of customer feedback addressed
Good Food	3 GOOD HEALTH AND WELL-BEING	**Target 3.0:** Ensure healthy lives and promote wellbeing for all at all ages	• Offered healthy selection of dietary choices, including vegetable-based meals for health-conscious consumers • Conducted third-party laboratory testing to ensure our food products adhere to the prescribed nutritional parameters • Maintained zero instances of non-compliance regarding product and service information, labelling, and marketing communication • Ensured 100% sourcing of cooking oil from the Roundtable on Sustainable Palm Oil

Pillars	UNSDGs	UNSDG Targets	Highlights and Achievements
Resource Efficient Operations and Sustainable Practices	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Target 12.2:** Achieve the sustainable management and efficient use of natural resources	• Tracked and disclosed energy intensity performance of 0.7 Gigajoules (GJ)/ RM'000 to support ongoing resource efficiency improvements • Zero incidents of environmental non-compliance in terms of effluent discharge
		Target 12.3: Halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses	• 4,288.8 tonnes of waste is diverted from disposal
		Target 12.5: Substantially reduce waste generation through prevention, reduction, recycling and reuse	
	13 CLIMATE ACTION	**Target 13.1:** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	• Increase of 9.2% for emissions intensity as measured over revenue
Nurturing Workforce Development and Sustainability	4 QUALITY EDUCATION	**Target 4.0:** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	• Mandatory food handling training for all employees engaged in food handling operations • 4,058.5 total employee training hours
	8 DECENT WORK AND ECONOMIC GROWTH	**Target 8.0:** Promote inclusive and sustainable economic growth, employment and decent work for all	• Workforce of 1,804 representing diverse age and gender demographics
		Target 8.8: Protect labour rights and promote safe and secure working environments for all workers	• Zero instances of human rights violation (child labour and forced labour) • Zero work-related fatalities were recorded
	10 REDUCED INEQUALITIES	**Target 10.2:** Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	• 28.6% of the Board of Directors comprises women • 27.2% of women workforce

STAKEHOLDER ENGAGEMENT

SDS adopts a structured approach to stakeholder engagement as part of its sustainability governance framework. The Group identifies its key stakeholders based on their level of influence on, and interest in, our operations, ensuring that engagement efforts are proportionate, relevant and aligned with business priorities.

Through ongoing dialogue and established communication channels, the Group seeks to understand stakeholder expectations, emerging concerns and industry developments. This engagement process strengthens transparency, supports informed decision-making and reinforces accountability at both Management and Board levels.

Importantly, stakeholder input forms a critical component of the Group's materiality assessment process. Insights gathered through engagement activities help identify and prioritise material sustainability topics that may impact the Group's ability to create long-term value.

STAKEHOLDERS	KEY TOPICS	OUR APPROACH	VALUE CREATED
Investors and Shareholders	• Financial performance and long-term value creation • Corporate governance and regulatory compliance	• Provides timely disclosures through reports and announcements • Maintains regular engagement on business performance and strategy	• Improved transparency and investor confidence • Better-informed investment decisions
Customers	• Product quality and consistency • Food safety and hygiene standards • Customer service experience	• Implementation of food safety and quality management systems • Ongoing engagement to address feedback and improve product offerings	• Delivery of safe and reliable products • Enhanced customer satisfaction and loyalty
Suppliers	• Fair and timely payment • Ethical procurement practices • Cost efficiency and product standards • Stable supply chain relationships	• Conducts supplier evaluations and maintains clear procurement processes • Engages suppliers to address performance and quality requirements	• Reliable supply of quality materials • Strengthened supplier relationships
Employees	• Fair employment practices and workplace safety • Opportunities for development and progression • Employee welfare and competitive remuneration package	• Provides structured performance reviews and training programmes • Maintains safety practices and employee engagement initiatives	• Skilled and engaged workforce • Improved employee wellbeing and retention • Fair and safe working environment
Government and Regulators	• Compliance with applicable laws, regulations and industry standards • Ethical business conduct	• Adheres to regulatory requirements and internal policies • Implements governance and anti-corruption measures	• Sustained licence to operate • Reduced regulatory and compliance risks
Media	• Timely and accurate corporate information • Transparency in communications	• Issues press releases and engages through media platforms • Shares updates on business and Corporate Social Responsibility ("CSR") initiatives	• Positive media coverage • Increased public awareness
Communities	• Community development and social contribution • Management of environmental impacts	• Implements CSR programmes and supports local initiatives • Enhances environmental management practices	• Contribution to community wellbeing • Stronger community relationships

MATERIALITY ASSESSMENT

The identification and evaluation of material sustainability matters is a key component of SDS's sustainability approach, enabling the identification and prioritisation of material matters that could substantively influence the Group's performance, strategic direction and stakeholder assessments. By focusing on these priority areas, the Group is better positioned to manage risks, capture opportunities and support long-term value creation.

SDS undertakes a periodic materiality review in accordance with Bursa Securities reporting guidance and the Group's internal strategic planning cycle. This review ensures that material topics remain relevant in light of evolving regulatory developments, industry conditions and stakeholder expectations.

The evaluation of material matters is conducted through a structured approach:

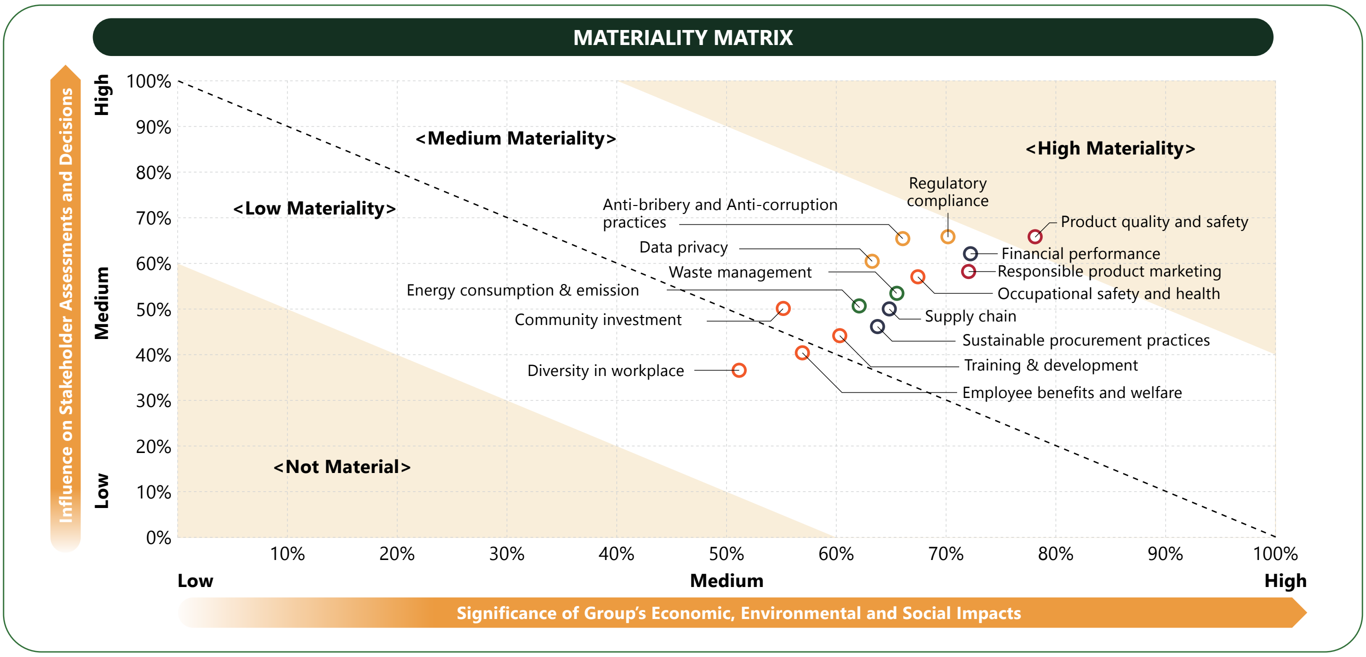
IDENTIFICATION:
A comprehensive set of sustainability topics is identified through a review of Bursa Malaysia reporting requirements, relevant industry practices, and the Group's operational activities. This process ensures that both internal and external factors that may impact the business are taken into consideration.

ASSESSMENT:
The identified topics are evaluated by Management across the Group, taking into account their relevance to business operations, as well as their influence on stakeholder assessments and decision-making. In this process, Management considers both internal perspectives and insights derived from stakeholder engagement activities to ensure a balanced assessment.

PRIORITISATION:
Topics are analysed and ranked based on their impact on the Group's business and their importance to stakeholders. The outcomes are mapped onto a materiality matrix to determine the relative significance of each matter.

VALIDATION:
The proposed material matters and matrix are reviewed by Management and the results of the assessment, including the materiality matrix, are reviewed by Management and presented to the Board for validation. This ensures that the identified material matters are aligned with the Group's strategic priorities and oversight requirements.

The outcomes of the materiality assessment support the Board and Management in guiding strategic direction, resource allocation and the integration of sustainability considerations into business operations. Material topics are embedded across the Group's sustainability framework and serve as a basis for the disclosures presented in this Statement.



SDS remains committed to periodically reviewing its material matters to ensure continued relevance in a dynamic operating environment, and to enhance the robustness of its sustainability practices and reporting over time.

Sustainability Governance

SUSTAINABILITY OVERSIGHT

Governance structure

The Board retains overall responsibility for the oversight of the Group's sustainability governance framework, including the management of sustainability-related risks and opportunities that may impact SDS's business and stakeholders. In carrying out its responsibilities, the Board considers sustainability-related matters as part of its review of the Group's strategic priorities, business plans, investments, operational performance and governance practices. This includes overseeing the integration of sustainability considerations into the Group's strategy and ensuring that appropriate internal controls and governance processes remain in place to support effective management of material sustainability matters.

In line with the Group's governance framework, the Board may delegate specific responsibilities to Management and designated working groups to support the implementation and monitoring of sustainability-related initiatives, while retaining overall accountability for sustainability oversight. The Board also reviews and assesses the adequacy and effectiveness of the Group's sustainability governance practices on an ongoing basis to ensure continued alignment with business priorities and evolving regulatory expectations.

At the Management level, sustainability governance is supported by the Sustainability Working Group ("SWG"), comprising representatives from key operational and management functions across the Group. The SWG is responsible for coordinating the implementation of sustainability-related initiatives and supporting the integration of sustainability considerations into business operations and reporting processes. Its responsibilities include identifying and assessing material sustainability matters, monitoring sustainability performance and initiatives, coordinating sustainability data collection and supporting the preparation of sustainability disclosures.

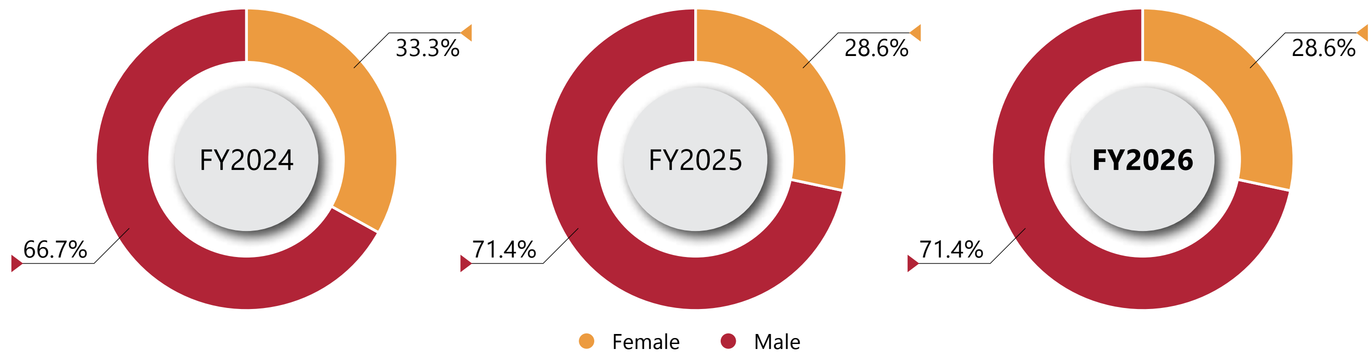
The SWG also facilitates cross-functional collaboration across the organisation to strengthen the implementation of sustainability priorities and ensure that sustainability-related matters are communicated effectively to Management and the Board. Through this governance structure, SDS aims to strengthen accountability, enhance oversight and support the continuous improvement of its sustainability practices and reporting processes across the Group.

Board diversity

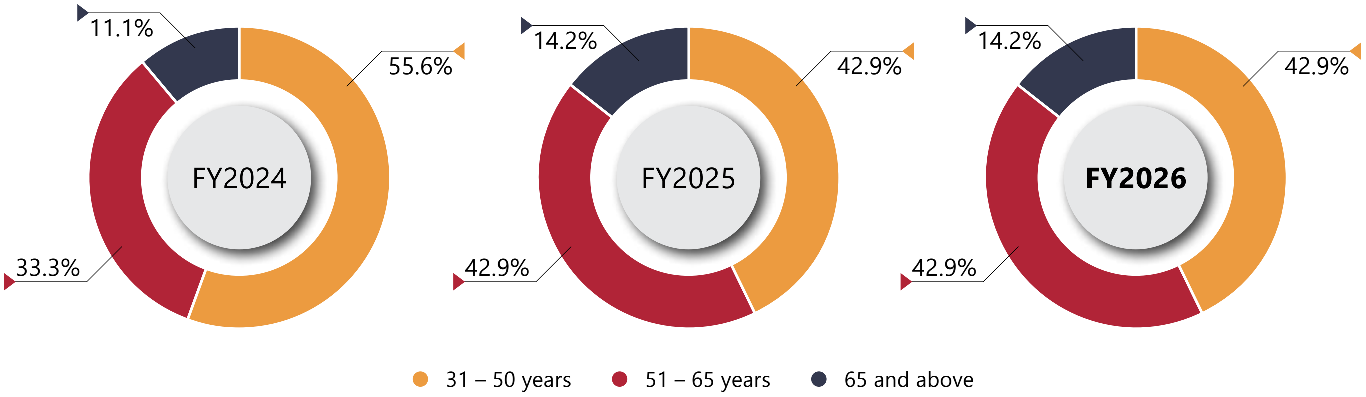
SDS recognises that an effective Board composition benefits from an appropriate mix of experience, competencies, independence and industry knowledge, which collectively support sound governance and balanced decision-making. In considering Board composition, the Group takes into account diversity of perspectives and backgrounds, including gender diversity, alongside the skills and expertise required to support the Group's business and strategic direction.

As at the end of the reporting period, women represented 28.6% of the Board, while Independent Non-Executive Directors continued to form a fair mix of the Board composition, supporting objective oversight and independent judgement in the discharge of the Board's responsibilities. The Board also continues to review its composition and overall effectiveness through periodic assessments conducted by the Nominating and Remuneration Committee as part of the Group's ongoing efforts to strengthen governance practices and support board diversity over time.

Board of Directors by Gender



Board of Directors by Age Group



Details on the Board's composition, Directors' profiles and meeting attendance are disclosed in the Corporate Governance Overview Statement of this Annual Report.

ETHICS AND INTEGRITY

SDS is committed to conducting its business activities ethically, responsibly and in accordance with applicable laws and regulatory requirements. The Group recognises that maintaining high standards of integrity and accountability is fundamental to sustaining stakeholder trust, safeguarding its reputation and supporting long-term business resilience.

The Group's governance framework is supported by a range of internal policies, procedures and oversight mechanisms that guide ethical business conduct across its operations. These include frameworks relating to corporate governance, anti-bribery and anti-corruption, whistleblowing, regulatory compliance and data privacy. Collectively, these measures support the Group's efforts in promoting transparency, strengthening accountability and managing governance-related risks across the organisation.

- **Anti-Bribery and Anti-Corruption Policy**
- **Whistleblowing Policy**
- **Fit & Proper Policy**
- **Code of Conduct and Ethics**
- **Conflict of Interest Policy**
- **Data Privacy Policy**

Central to this framework is the Group's Code of Conduct and Ethics ("Code"), which establishes the standards of behaviour and ethical principles expected of Directors and employees. The Code provides guidance on areas including professional conduct, integrity, conflicts of interest, workplace behaviour and compliance with applicable laws and internal policies. It also reinforces the Group's expectations in fostering a respectful, safe and professional working environment.

The Code forms part of the induction process for new employees and serves as a key reference in promoting awareness of the Group's ethical expectations and corporate values. SDS continues to reinforce ethical conduct across the organisation through ongoing communication and internal governance practices to support a culture of integrity and responsible business conduct.

During the reporting period, there were **ZERO** reported incidents of non-compliance or unethical conduct. **(FY2025: 0, FY2024: 0)**

Further information on the Group's corporate governance practices can be found at https://sdsgroups.com/corporate-governance/ and is disclosed in the Corporate Governance Overview Statement of this Annual Report.

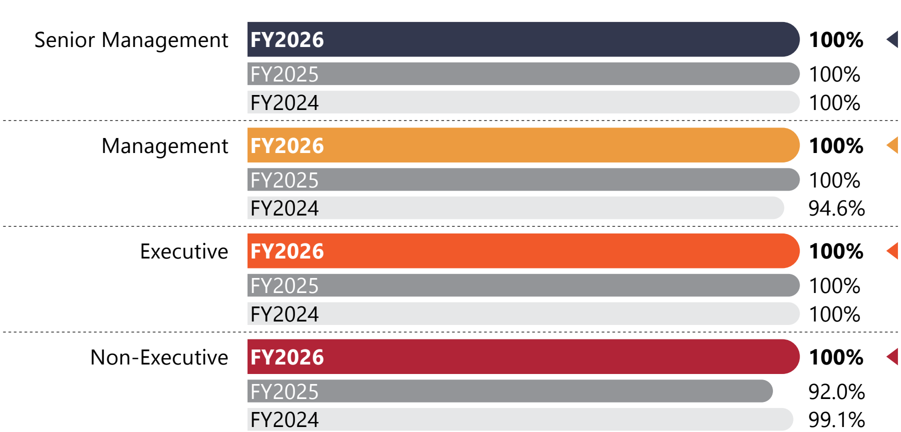
Anti-Bribery and Anti-Corruption

SDS maintains a zero-tolerance approach towards bribery and corruption, and is committed to conducting its business with integrity, professionalism, and accountability. In alignment with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, the Group has established an Anti-Bribery and Anti-Corruption Policy ("ABAC") outlining the expectations and standards of conduct applicable to Directors, employees and business associates.

The ABAC policy prohibits all forms of bribery, corruption and improper gratification in connection with the Group's business activities, including the giving or receiving of gifts, favours or other benefits intended to improperly influence business decisions. In supporting the implementation of the policy, SDS has also established reporting mechanisms to facilitate the reporting of suspected misconduct or unethical practices in a confidential manner.

The Group continues to reinforce awareness of its anti-corruption expectations through internal communication channels and governance practices across the organisation. SDS also undertakes periodic reviews and assessments of corruption-related risks as part of its ongoing governance and compliance efforts. In FY2026, all operations had been assessed for corruption-related risks.

Employees Receiving Training on Anti-Bribery and Anti-Corruption



During the reporting period, there were **ZERO** reported incidents of bribery or corruption, **ZERO** disciplinary actions taken, and **ZERO** legal proceedings or monetary losses arising from corruption-related matters. **(FY2025: 0, FY2024: 0)**

Conflicts of Interest

SDS recognises that unmanaged conflicts of interest may undermine governance integrity and stakeholder trust. In FY2025, the Group strengthened its governance framework through the adoption of a Conflict of Interest Policy, which sets out requirements for identifying, disclosing and managing actual, potential or perceived conflicts of interest involving Directors and relevant senior personnel.

The policy requires Directors and Key Senior Management to promptly disclose any conflict of interest situations and abstain from participating in related deliberations or decision-making processes where appropriate. In addition, annual declarations are required to strengthen transparency and support ongoing monitoring of potential conflict situations within the Group.

Whistleblowing

SDS has established a Whistleblowing Policy and whistleblowing channels to which employees and other stakeholders can report suspected misconduct or improper practices in a confidential manner, if any.

The policy covers matters including fraud, corruption, bribery, criminal offences, breaches of legal or regulatory requirements, unethical conduct and matters relating to health and safety. Reports may be submitted directly to the Chairman of the Audit & Risk Management Committee through designated reporting channels, including email and written correspondence.

In FY2026, there were **ZERO** cases reported through the whistleblowing channel.
(FY2025: 0, FY2024: 0)

SDS is committed to ensuring that whistleblowers who report concerns in good faith are protected from retaliation, intimidation or victimisation. The Group also emphasises that all reports are to be made responsibly and with reasonable belief that the information disclosed is genuine and accurate. Through this framework, SDS seeks to strengthen transparency, reinforce ethical business conduct and support effective governance practices across the organisation.

Data privacy

SDS recognises the importance of safeguarding personal and business information collected in the course of its operations. The Group remains committed to managing data responsibly and ensuring that confidential information is protected against unauthorised access, misuse or disclosure.

In line with the Personal Data Protection Act 2010, SDS treats customer and business information with appropriate care and confidentiality. The Group has implemented internal controls and IT security measures to support the protection of sensitive data and strengthen data security practices across its operations.

In FY2026, there were **ZERO** cases of data breaches and complaints regarding data privacy reported across the Group's operations.
(FY2025: 0, FY2024: 0)

REGULATORY COMPLIANCE

As a food manufacturing and retail group, SDS places strong emphasis on compliance with food safety, labour, environmental and corporate governance requirements to support responsible and sustainable business practices.

The Group maintains internal policies, procedures and operational controls to support compliance across its business activities, while Management continues to monitor regulatory developments and evolving industry requirements. Compliance considerations are integrated into operational processes to strengthen accountability, minimise regulatory risks and support the Group's licence to operate.

In FY2026, the Group recorded **ZERO** instances of non-compliance with health and safety, and other applicable regulations.
(FY2025: 0, FY2024: 0)

Economic Value Created

ECONOMIC IMPACTS

SDS remains committed to generating sustainable economic value through its business operations while contributing positively to its stakeholders and the broader economy. Through its retail and wholesale operations, the Group continues to support economic development by creating employment opportunities, engaging local suppliers and service providers, contributing taxes to the Government and delivering returns to shareholders.

Despite operating within a challenging business environment characterised by rising operating costs, labour-related pressures and evolving consumer demands, the Group maintained resilient financial performance during the financial year. SDS continues to strengthen its operational capabilities, expand its market presence and enhance business efficiency to support long-term growth and value creation.

The economic value generated and distributed by the Group reflects its contributions to employees, suppliers, financiers, shareholders and the Government through wages and benefits, procurement spending, financing costs, dividend payments and tax contributions. The retained economic value supports the Group's continued reinvestment into business operations, operational improvements and future growth initiatives.

Financial Indicator	FY2024 RM'000	FY2025 RM'000	FY2026 RM'000
Economic Value Generated	325,471	347,928	**337,342**
Economic Value Distributed	300,159	320,019	**315,715**
• Payments to Employees (Salaries and Other Benefits)	68,299	76,810	**79,349**
• Payments to Suppliers (Operating Expenses)	211,942	225,786	**222,331**
• Government (Income Tax)	10,404	10,646	**7,467**
• Payments to Financiers (Financing Costs)	872	1,002	**1,122**
• Returns to Shareholders (Dividends)	8,642	5,775	**5,446**
Economic Value Retained	25,312	27,909	**21,627**

GOOD FOOD

Providing safe, quality and enjoyable food products has always been central to SDS's business operations and customer value proposition. As a food manufacturing and retail group, SDS recognises the importance of maintaining high standards of food safety, product quality and responsible product practices to meet evolving consumer expectations and regulatory requirements.

The Group remains committed to continuously enhancing its products, operational practices and customer experience through ongoing innovation, quality assurance and responsible sourcing efforts. SDS also acknowledges the growing importance of healthier dietary preferences, transparent product information and safe food preparation standards in strengthening consumer confidence and long-term brand trust.

Guided by these priorities, SDS's "Good Food" approach is anchored on three key pillars that support the Group's commitment to responsible food practices, customer wellbeing and sustainable business growth.

Building Trust Through Transparency

SDS emphasises clear and responsible communication of product information to support consumer trust and informed purchasing decisions. Product labels are prepared in accordance with applicable regulatory requirements and include key information such as ingredients, nutritional details, storage instructions and expiry dates where relevant. The Group also remains committed to responsible product marketing and transparent nutrition-related disclosures across its product offerings.

In FY2026, the Group recorded ZERO instances of non-compliance related to labelling, product information, and marketing communications.

Expanding Healthier Food Choices

Recognising changing consumer preferences and growing health awareness, SDS continues to expand and diversify its product offerings to cater to varying dietary needs and lifestyles. The Group incorporates ongoing product innovation and customer feedback into its product development efforts to enhance quality, variety and customer satisfaction.

Pioneering Positive Changes Through Food Safety

Food safety remains a core operational priority across the Group's retail and wholesale operations. SDS maintains established food safety and hygiene practices supported by operational controls, standard operating procedures, employee awareness measures and field audits to ensure products are prepared, handled and distributed in accordance with applicable standards such as HALAL and MeSTI.

In FY2026, the Group recorded ZERO incidents of product recalls.

Customer Satisfaction

The Group places strong emphasis on customer satisfaction as a key driver of business sustainability and long-term brand loyalty. The Group continuously strives to enhance customer experience across its retail and wholesale operations by delivering quality products, maintaining service standards and responding to evolving consumer preferences.

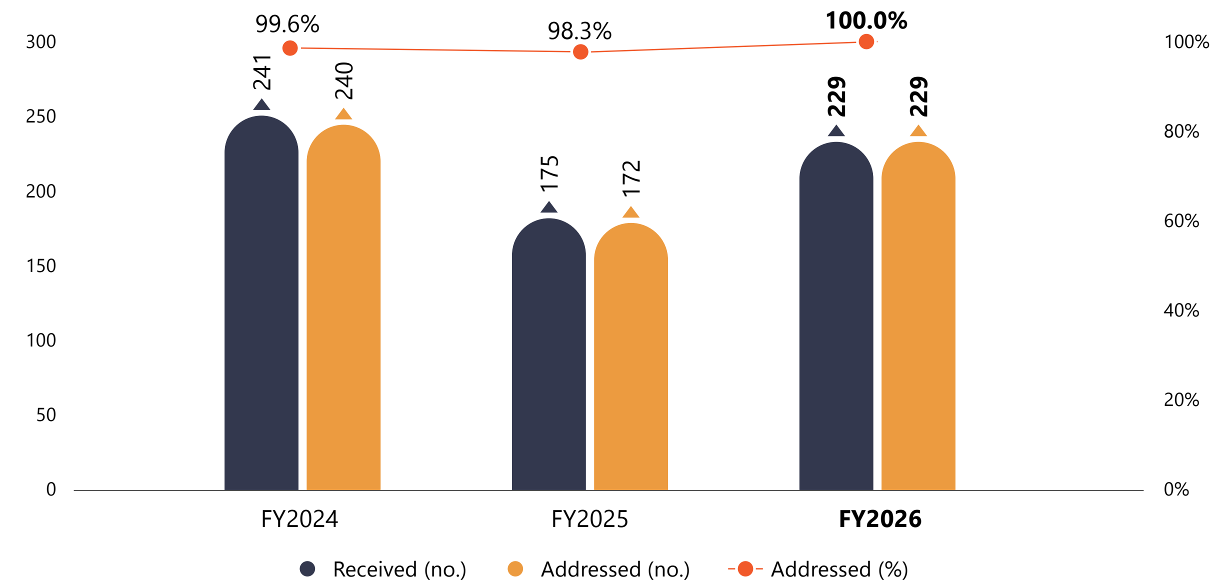
Customer feedback remains an important component of the Group's improvement efforts. SDS actively encourages feedback through various engagement channels such as social media, enabling the Group to better understand customer expectations, identify areas for enhancement and refine its products and services accordingly. Insights gathered from customers support continuous improvements in operational processes, product offerings and overall service delivery.

To strengthen customer engagement and brand visibility, the Group continues to implement promotional and digital engagement initiatives across multiple platforms, including social media, online delivery platforms, QR ordering systems and the SDS mobile application with e-wallet functionality. These initiatives support greater convenience and accessibility for customers while enhancing overall customer experience.

Oversight of product quality and customer satisfaction rests with Operations, Marketing, and Quality Assurance teams for review and prompt action. Clear responsibilities are assigned to ensure customer enquiries are addressed promptly and relationships are actively managed. Production Managers, Group Chefs and Beverage Managers also play a big role in ensuring feedback is addressed operationally. This approach supports customer retention, service responsiveness and alignment with evolving customer needs.

In FY2026, a total of 229 customer feedback was received across the Group's wholesale operations, all of which were successfully addressed during the reporting period, representing a resolution rate of 100%. SDS remains committed to addressing customer concerns in a timely and constructive manner as part of its continuous efforts to enhance customer satisfaction and service quality.

Wholesale Customer Feedback



SDS also continues to introduce new and innovative product offerings to cater to changing market trends and consumer demands. Seasonal offerings, ready-to-eat selections and newly developed bakery products form part of the Group's ongoing efforts to provide variety and improve customer satisfaction across its operations.

PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

Approach to Supply Chain Management

SDS recognises that effective supply chain management is essential in supporting operational continuity, product quality and sustainable business growth. Given the nature of the Group's retail and wholesale operations, SDS continues to strengthen its procurement and supply chain practices to ensure the reliable sourcing and distribution of products and raw materials across its operations.

The Group's procurement activities are guided by established operational procedures and sourcing requirements that emphasise quality, reliability, cost effectiveness and timely delivery. SDS works closely with suppliers and service providers to maintain consistent supply chain performance while fostering long-term business relationships built on transparency, accountability and mutual collaboration.

To strengthen supply chain resilience, the Group continues to diversify and expand its supplier network to reduce operational disruptions and improve sourcing flexibility amid evolving market conditions and rising material costs. Supplier evaluations are conducted annually based on factors such as product quality, operational reliability, pricing competitiveness and compliance with the Group's requirements and standards.

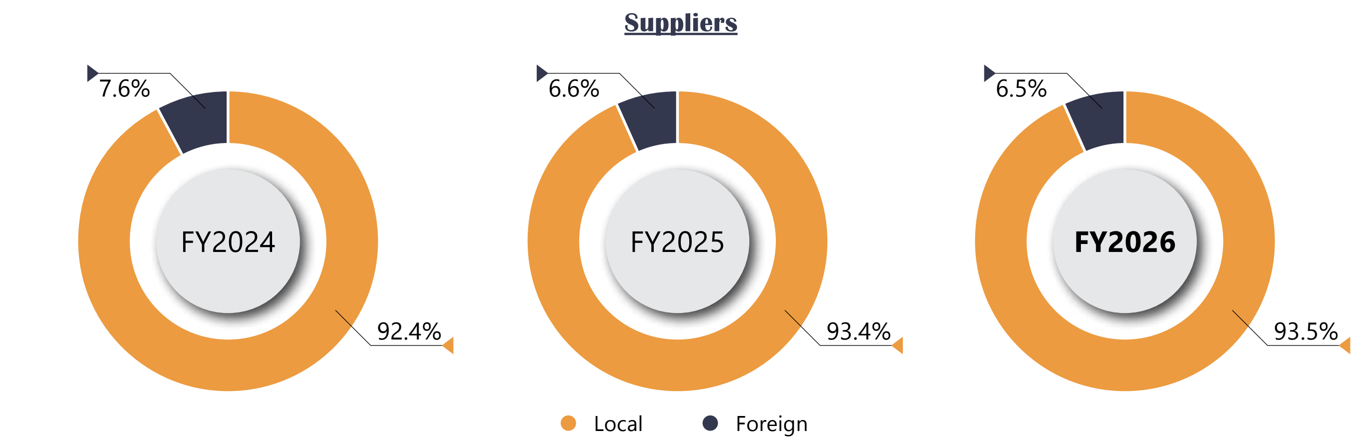
SDS promotes transparency and fairness in its procurement process by obtaining multiple quotations from suppliers where appropriate. Procurement decisions are made after considering both pricing and quality requirements, with final approvals overseen by the Executive Directors to ensure that sourcing decisions remain aligned with the Group's operational needs and procurement standards.

Local Procurement

SDS remains committed to supporting local businesses and strengthening domestic economic participation through its procurement activities. The Group prioritises sourcing from local suppliers and service providers where commercially and operationally practicable, recognising the important role local procurement plays in supporting supply chain responsiveness, operational efficiency and broader economic development.

By engaging local suppliers, SDS is able to maintain closer coordination across its supply chain, improve responsiveness to operational needs and strengthen supply continuity across its retail and wholesale operations. Local sourcing also contributes positively to surrounding communities by supporting local enterprises, generating economic opportunities and strengthening domestic supply chain networks.

Across its operations, SDS engages local suppliers for a broad range of operational requirements, including raw materials, packaging, logistics and maintenance. In FY2026, approximately 93.5% of the Group's total procurement spending was directed towards local suppliers, reflecting SDS's continued commitment to supporting local economic growth and strengthening domestic supplier ecosystems.



Environmental Sustainability

CLIMATE CHANGE AND ENERGY

SDS recognises that climate change presents evolving challenges and potential risks to business operations, supply chains and long-term operational resilience. As a food manufacturing and retail group, SDS acknowledges that changing climate conditions, resource availability and shifting market and consumer trends may indirectly influence operational efficiency, supply continuity, energy consumption and overall business sustainability.

The Group also recognises the potential physical and transition risks arising from climate change, including disruptions to supply chain operations, fluctuations in the availability and pricing of raw materials, changing regulatory expectations and increasing energy and operational costs associated with the transition towards a lower-carbon economy. At the same time, SDS identifies opportunities to strengthen operational resilience and long-term business sustainability through improved energy efficiency, responsible resource management and ongoing operational enhancements, including the adoption of energy-efficient technologies and renewable energy initiatives across its operations.

In supporting its environmental management efforts, the Group continues to monitor resource consumption and operational emissions across its manufacturing, retail and distribution activities. SDS also continues to implement operational improvements and efficiency initiatives aimed at enhancing energy management, reducing unnecessary resource consumption and supporting more sustainable business operations over time. These efforts include the installation of solar panels and the adoption of energy-efficient technologies across selected operations to better manage energy consumption and support the reduction of operational emissions.

As sustainability reporting requirements and climate-related expectations continue to evolve, SDS remains committed to strengthen its climate-related monitoring and disclosure practices progressively and to be in line with applicable regulatory developments and the Group's operational requirements.

Emission Management

SDS continues to strengthen its greenhouse gas ("GHG") emissions monitoring and reporting practices as part of its broader environmental management efforts. The Group's emissions primarily arise from energy consumption across its manufacturing, retail, distribution and operational activities, including fuel usage, purchased electricity and selected indirect emission sources associated with its business operations.

The Group's GHG emissions inventory is prepared in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, applying an operational control approach. For the reporting period, the inventory covers entities within the Group's defined reporting boundary.

GHG Emissions	FY2024	FY2025	FY2026
Scope 1 (tCO_2e)	11,766	12,811	**12,842**
Scope 2 (tCO_2e)	7,250	7,805	**8,477**
Scope 3 (tCO_2e)	-	1,957	**2,354**
• Employee Commuting	-	1,869	**2,285**
• Business Travel	-	88	**69**
Total Emissions (tCO_2e)	19,016	22,573	**23,673**
Intensity (tCO_2e)/ RM'000)	0.059	0.065	**0.071**

Note:
1. *The conversion factor used in Scope 1 emission is based on Malaysia Energy Statistic 2020, and the emission factor is based on the IPCC database. The emission factor used in Scope 2 emission is based on UNFCCC Harmonised Grid Factors 2021.*
2. *Operational emissions intensity refers to Scope 1 and Scope 2 emissions per RM thousand of revenue, while total emissions intensity refers to Scope 1, Scope 2 and Scope 3 emissions per RM thousand of revenue.*
3. *Calculation for mileage claims for employees' business travel is based on fuel receipts as all usage is dedicated solely to business purposes.*
4. *Business travel refers to transportation undertaken by employees for business-related activities during the reporting year, including flights made by foreign employees travelling to and from their hometowns in connection with their employment.*

In FY2026, the Group recorded Scope 1 emissions of 12,842 tCO_2e, mainly arising from fuel consumption across its retail, manufacturing, logistics and operational activities. These emissions were primarily attributable to the use of petrol and diesel for company-operated vehicles and distribution activities, as well as liquefied petroleum gas ("LPG") utilised in selected operational and production processes across the Group's facilities.

Scope 2 emissions totalled 8,477 tCO_2e in FY2026, compared to 7,805 tCO_2e in FY2025. The movement in Scope 2 emissions was largely influenced by operational activity levels, production requirements, outlet expansion and corresponding electricity consumption across the Group's retail outlets, manufacturing facilities, offices and distribution centres during the reporting period.

Scope 3 emissions currently cover selected indirect emission categories, including employee commuting and business travel activities. In FY2026, the Group recorded Scope 3 emissions of 2,354 tCO_2e. SDS continues to adopt a phased approach towards the monitoring and assessment of indirect value chain emissions, taking into consideration operational relevance, data availability and the progressive enhancement of the Group's climate-related reporting practices.

On an intensity basis, total emissions in FY2026 amounted to 0.071 tCO_2e per RM thousand of revenue from the sale of goods and services, reflecting the Group's approach of monitoring emissions performance relative to business activity.

Energy Management

Energy consumption is an important operational component across SDS retail, manufacturing and distribution activities, supporting production processes, outlet operations, refrigeration systems, logistics and overall day-to-day business functions. As such, the Group recognises the importance of managing energy usage efficiently to support operational performance, cost management and broader environmental sustainability efforts.

SDS adopts a practical approach towards energy management by monitoring energy consumption patterns across its operations and progressively identifying opportunities to improve operational efficiency where feasible. These efforts form part of the Group's ongoing commitment to strengthen resource efficiency, manage operational costs and reduce unnecessary environmental impact while supporting long-term business sustainability.

Direct Energy Consumption

Direct energy consumption within SDS operations primarily arises from the use of diesel, petrol, LPG and natural gas across its manufacturing, logistics and distribution activities. Diesel fuel is mainly utilised to support the transportation of bakery and food products from the Group's production facilities in Johor and Seremban to retail outlets, distribution centres and customers throughout Peninsular Malaysia.

Within the Group's manufacturing operations, energy requirements vary according to operational processes and facility configurations. Daily Bakery primarily utilises natural gas in its production activities, whereas SDS Food and SDS Top Baker rely mainly on LPG to support manufacturing and baking operations. These energy sources remain essential in supporting the Group's operational continuity, production efficiency and distribution activities across its retail and wholesale operations.

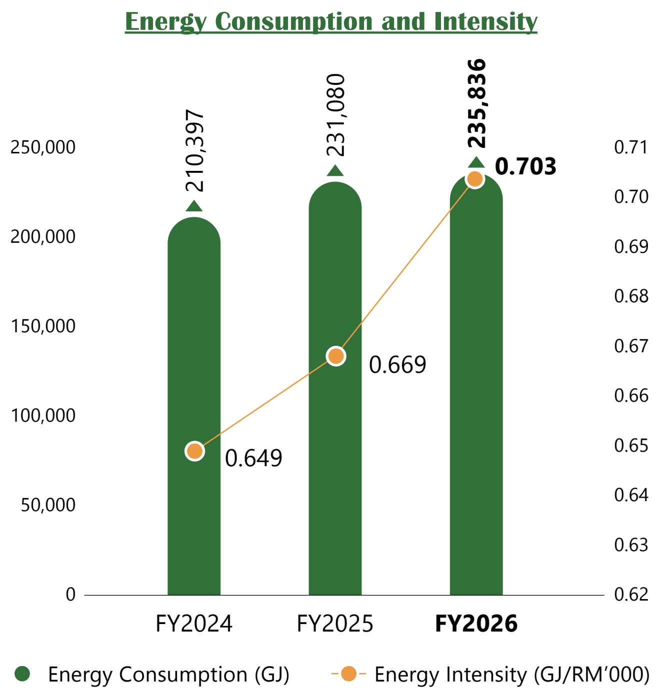
Indirect Energy Consumption

Indirect energy consumption within SDS primarily relates to electricity purchased from the national grid and consumed across the Group's manufacturing facilities, retail outlets, offices and distribution centres. Electricity is essential in supporting daily operational activities, including lighting, refrigeration, ventilation, heating and the operation of machinery, equipment and production systems used throughout the Group's retail and manufacturing operations.

Recognising the importance of responsible energy management, SDS implements operational improvements aimed at enhancing energy and reducing inefficiency. During the reporting period, SDS continued to benefit from the solar panels installed at its operational sites. The system generated 1,188,520 kWh of electricity, of which 1,184,680 kWh was utilised for on-site operations, while 3,840 kWh was exported to the national grid as green electricity. This renewable energy initiative contributed to the avoidance of approximately 652.76 tCO_2e of carbon emissions during the year.

Total Energy Consumption

During the reporting period, the Group's total energy consumption amounted to 235,836 GJ.



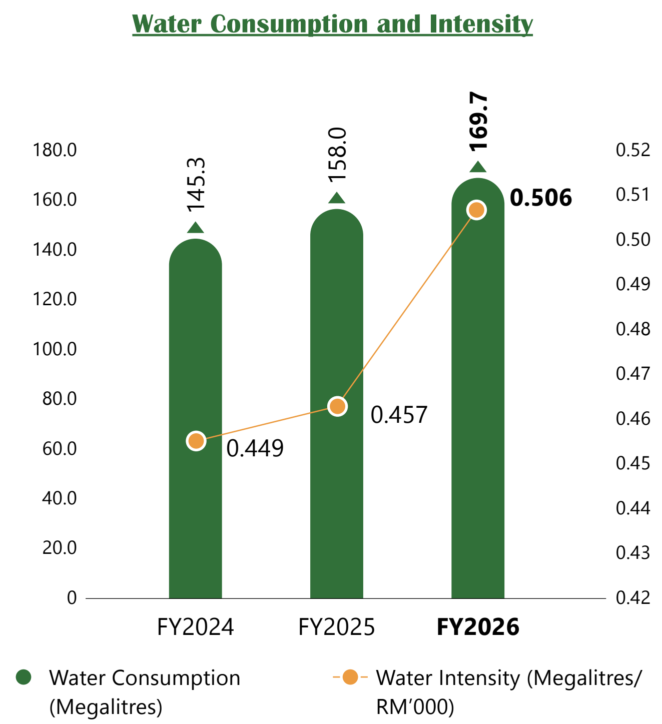
WATER MANAGEMENT

SDS recognises water as an important operational resource, with water consumption primarily supporting production processes, cleaning activities, sanitation, food preparation and general operational requirements across its facilities and outlets. As such, SDS remains committed to promoting responsible water management practices to support operational efficiency, regulatory compliance and long-term resource sustainability.

The Group adopts a practical approach towards water conservation by implementing operational measures aimed at improving water efficiency and reducing unnecessary water consumption where feasible. These efforts include the use of water-efficient equipment and operational practices across selected facilities, including automatic dishwashing systems and targeted water management initiatives within production and cleaning processes. SDS also utilises harvested rainwater for selected non-food operational purposes where practicable to reduce reliance on treated water sources.

Water consumed across the Group's operations is primarily sourced from municipal water supply systems. In managing water discharge, SDS continues to comply with applicable regulatory requirements and monitoring standards under the Department of Environment ("DOE") to support responsible wastewater management and minimise potential environmental impact.

In FY2026, the Group recorded total water consumption of 169.7 megalitres, representing an increase of 7.4% compared to FY2025. The movement in water consumption was mainly influenced by operational activity levels, production requirements and overall business operations during the reporting period. SDS continues to monitor water usage patterns and identify opportunities to strengthen water efficiency practices across its operations in line with its broader environmental management efforts.



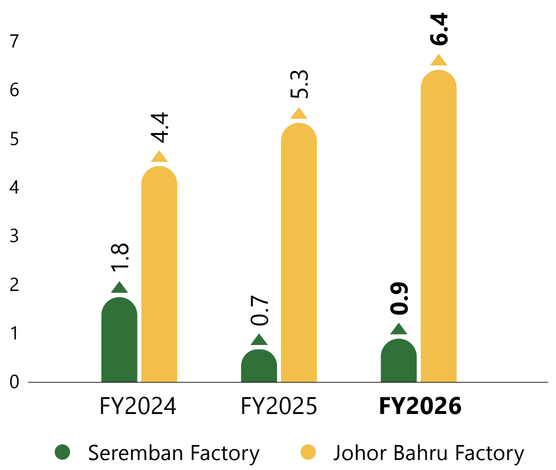
EFFLUENT MANAGEMENT

SDS remains committed to managing wastewater and effluent discharge responsibly across its manufacturing operations to minimise potential environmental impact and maintain compliance with applicable environmental regulations. Wastewater generated from the Group's production and operational activities is treated through designated wastewater treatment systems prior to discharge.

The Group's manufacturing facilities in Johor and Seremban operate dedicated wastewater treatment plants to manage and treat industrial effluents in accordance with the Environmental Quality (Industrial Effluent) Regulations 2009 under the DOE. To support compliance with regulatory requirements and operational standards, SDS conducts regular monitoring and testing of wastewater discharge quality through accredited external laboratories. Parameters monitored include pH, chemical oxygen demand, biochemical oxygen demand and suspended solids, among others.

In FY2026, total effluent discharge from the Group's wastewater treatment facilities amounted to 6.4 megalitres for the Johor facility and 0.94 megalitres for the Seremban facility. The increase in effluent discharge volumes during the reporting period were mainly due to higher production activity.

Effluent (Megalitres)



In strengthening its wastewater management practices, SDS continues to reinforce operational monitoring and compliance oversight through routine inspections, periodic internal audits and ongoing review of treatment processes and discharge performance. These measures support the Group's efforts to uphold regulatory compliance and maintain responsible environmental practices across its operations.

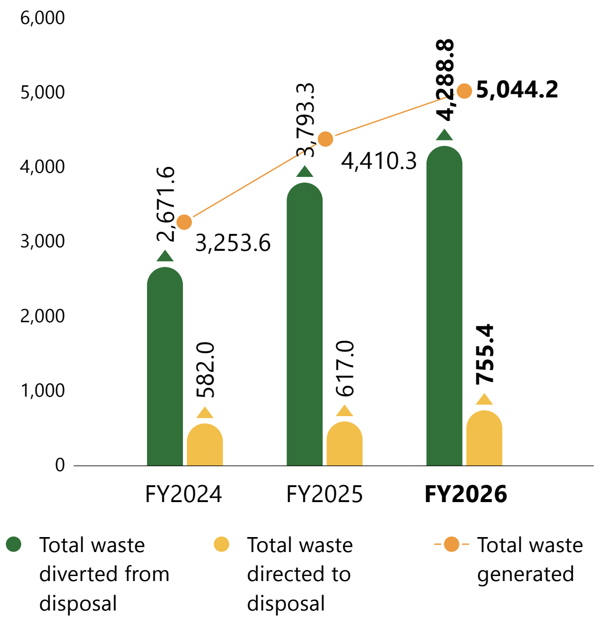
WASTE MANAGEMENT

SDS recognises the importance of responsible waste management and efficient resource utilisation in supporting sustainable operations and minimising environmental impact across its business activities. Waste generated from the Group's operations primarily comprises food waste, packaging materials, paper products, plastics and other operational by-products arising from manufacturing, bakery, café and outlet activities.

The Group adopts a practical waste management approach focused on minimising avoidable waste generation, improving operational efficiency and encouraging responsible disposal and recovery practices across its operations. SDS continues to strengthen waste monitoring and handling practices while promoting greater awareness of resource efficiency and waste reduction within day-to-day operational activities.

In FY2026, the Group recorded a total waste generation of 5,044.2 tonnes, of which 4,288.8 tonnes were diverted from disposal through recycling, recovery, and other waste management initiatives, while 755.4 tonnes were directed to disposal facilities. The increase in total waste generated compared to FY2025 was mainly attributable to the inclusion of sludge in FY2026 waste data, which had not been included or disclosed in prior years. This reflects the Group's ongoing efforts to strengthen the completeness and robustness of its environmental data collection and reporting practices.

Waste Generated (Tonnes)



Waste Reduction Across Operations

Waste reduction efforts are integrated into various stages of the Group's operational and production processes. Within manufacturing and food preparation activities, SDS continues to strengthen inventory planning, operational controls and food preparation practices to reduce unnecessary material losses and minimise avoidable food wastage before products reach customers. Employee awareness and operational training also support better handling practices and improved resource management across the Group's operations.

The Group additionally continues to review operational processes and product handling activities to identify opportunities for improving material utilisation, reducing packaging waste and minimising losses arising from production, storage, handling and distribution activities.

Responsible Packaging

SDS remains mindful of the environmental impact associated with disposable and packaging materials used across its retail and café operations. The Group continues to encourage more responsible consumption practices by reducing unnecessary single-use items where practicable and progressively incorporating environmentally preferable alternatives within selected operational areas.

As part of these efforts, SDS continues to utilise environmentally friendly paper packaging and takeaway materials certified by recognised sustainable forestry standards where applicable. Certain disposable items are also provided only upon request to help minimise unnecessary material consumption across customer-facing operations.

Recycling and Waste Diversion Initiatives

The Group continues to implement recycling and recovery initiatives as part of its broader efforts to reduce waste sent to disposal facilities. Used cooking oil generated from production facilities and retail operations is collected and channelled to licensed third parties for recycling and recovery purposes, while selected food by-products and unsold bread are repurposed for alternative uses where feasible to minimise disposal volumes.

SDS also maintains segregation practices for selected waste streams to facilitate appropriate collection, handling and disposal processes. Waste requiring disposal is managed by licensed waste contractors in accordance with applicable regulatory and environmental requirements.

Moving forward, SDS continues to strengthen its waste monitoring and operational practices by identifying opportunities to improve waste segregation, resource efficiency and recycling efforts as part of its ongoing commitment towards responsible environmental management and sustainable business operations.

Social Sustainability

FAIR LABOUR PRACTICES AND HUMAN RIGHTS

SDS is committed to upholding human rights and fair labour practices across all its operations. The Group recognises that respect for human dignity, ethical employment standards and responsible workplace conduct are essential to operational integrity and long-term sustainability.

The Group's approach is anchored by various local legislation:

- Industrial Relations Act 1967
- Employment (Amendment) Act 2022
- Occupational Safety and Health (Amendment) Act 2022
- Children and Young Persons (Employment) Act 1966

The Group's Human Resource ("HR") function is responsible for overseeing employment-related practices and monitoring compliance with internal policies and applicable labour regulations. In enforcing its labour and human rights commitments, the Group continues to monitor workplace practices and employee conduct through established operational procedures, internal controls and reporting mechanisms. Employees are also provided with channels to raise concerns or report improper conduct through the Group's whistleblowing mechanism, enabling matters to be addressed in a confidential and appropriate manner.

SDS adopts a zero-tolerance approach towards child labour and forced labour within its operations and remains committed to ensuring compliance with applicable employment standards and regulatory requirements.

During the reporting period, there were **ZERO** substantiated labour incidents or human rights violations.

(FY2025: 0, FY2024: 0)

GENDER DIVERSITY, EQUITY AND INCLUSION

SDS recognises that a diverse, inclusive and equitable workplace contributes positively to employee wellbeing, organisational effectiveness and long-term business sustainability. The Group continues to promote fair employment practices and foster a respectful working environment where employees are treated fairly and provided with equal opportunities for development and career progression regardless of gender, race, age, ability, sexual orientation or background.

“DURING THE REPORTING YEAR, WOMEN REPRESENTED 27.2% OF THE GROUP'S TOTAL WORKFORCE, WITH 40.5% OF MANAGERIAL POSITIONS HELD BY FEMALE EMPLOYEES. THESE FIGURES REFLECT THE GROUP'S ONGOING EFFORTS TO PROMOTE BALANCED REPRESENTATION ACROSS DIFFERENT LEVELS OF THE ORGANISATION WHILE MAINTAINING OPERATIONAL AND COMPETENCY REQUIREMENTS.

Gender Breakdown based on Employee Category

Category	FY2024				FY2025				FY2026			
	Male		Female		Male		Female		Male		Female	
	Pax	%	Pax	%	Pax	%	Pax	%	Pax	%	Pax	%
Senior Management	7	70.0	3	30.0	6	75.0	2	25.0	**6**	**75.0**	**2**	**25.0**
Management	43	58.1	31	41.9	43	56.6	33	43.4	**41**	**57.7**	**30**	**42.3**
Executive	53	67.1	26	32.9	60	69.8	26	30.2	**57**	**64.0**	**32**	**36.0**
Non-Executive	1,159	73.1	427	26.9	1,200	71.1	488	28.9	**1,209**	**73.9**	**427**	**26.1**
Total	1,262	72.2	487	27.8	1,309	70.5	549	29.5	**1,313**	**72.8**	**491**	**27.2**
	1,749				**1,858**				**1,804**			

Age Breakdown based on Employee Category

Position	FY2024		FY2025		FY2026	
	Pax	%	Pax	%	Pax	%
Senior Management						
30 years and below	0	0.0	0	0.0	**0**	**0.0**
31 – 50 years	6	60.0	5	62.5	**4**	**50.0**
51 – 65 years	3	30.0	2	25.0	**3**	**37.5**
65 years and above	1	10.0	1	12.5	**1**	**12.5**
Management						
30 years and below	3	4.1	7	9.2	**8**	**11.3**
31 – 50 years	58	78.3	56	73.7	**48**	**67.6**
51 – 65 years	11	14.9	12	15.8	**13**	**18.3**
65 years and above	2	2.7	1	1.3	**2**	**2.8**
Executive						
30 years and below	8	10.1	8	9.3	**7**	**7.9**
31 – 50 years	59	74.7	63	73.2	**67**	**75.3**
51 – 65 years	12	15.2	14	16.3	**14**	**15.7**
65 years and above	0	0.0	1	1.2	**1**	**1.1**
Non-Executive						
30 years and below	821	51.7	847	50.2	**839**	**51.3**
31 – 50 years	682	43.0	734	43.5	**700**	**42.8**
51 – 65 years	82	5.2	103	6.1	**93**	**5.7**
65 years and above	1	0.1	4	0.2	**4**	**0.2**

Breakdown by Employment Type

Employment Type	FY2024		FY2025		FY2026	
	Pax	%	Pax	%	Pax	%
Permanent	1,554	88.9	1,618	87.1	**1,558**	**86.4**
Contract	2	0.1	1	0.1	**0**	**0.0**
Temporary	193	11.0	239	12.8	**246**	**13.6**

EMPLOYEE DEVELOPMENT

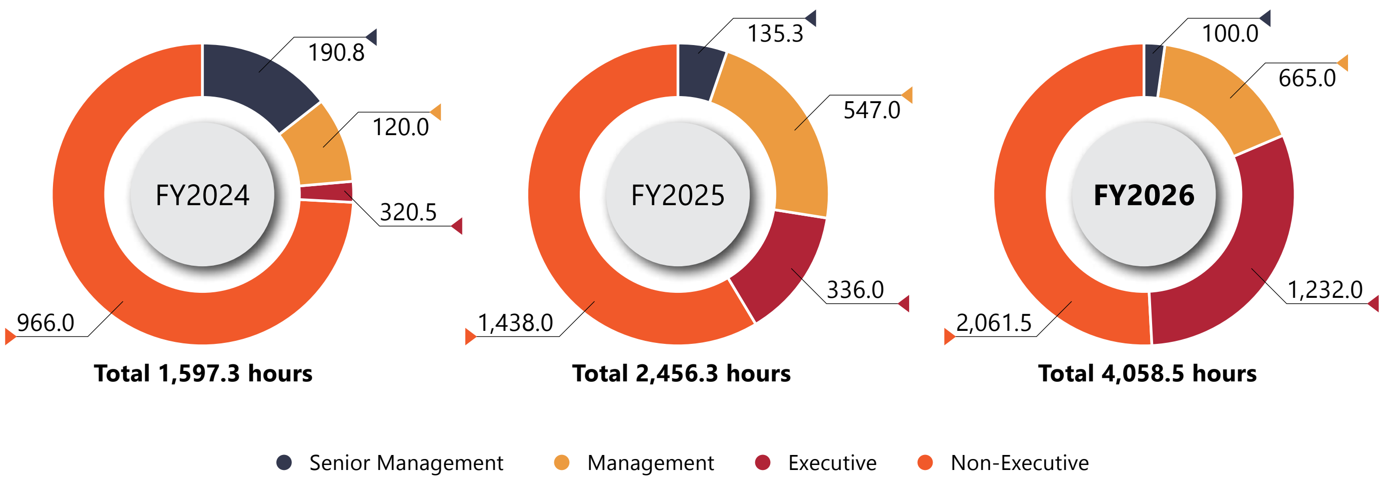
Training and Development

Continuous learning remains an important component of SDS's workforce management approach. As a people-driven organisation, the Group remains committed to equipping employees with the relevant skills, knowledge and competencies required to support evolving operational needs and industry requirements.

Training and development initiatives are coordinated by the HR function in collaboration with relevant operational departments to ensure that programmes remain aligned with employees' functional responsibilities and business priorities. Employees across various levels of the organisation are provided with training opportunities covering operational competencies, food safety and hygiene practices, workplace safety, leadership development and other role-specific technical and soft skills.

Given the nature of the Group's operations, SDS places particular emphasis on food handling and operational training to support compliance with food safety requirements and maintain service and product quality standards across its retail and wholesale operations. The Group also continues to support employee growth through on-the-job learning opportunities and practical exposure across business functions.

Total Training Hours by Employee Category



SDS remains committed to providing equitable access to training opportunities to support employees in building competencies that contribute to long-term organisational sustainability.

Hiring and Attrition

As SDS continues to expand its retail and wholesale operations, workforce planning and recruitment remain important in supporting evolving operational requirements and business expansion initiatives.

The Group continues to undertake hiring activities across various operational and support functions to strengthen workforce capacity and support day-to-day business operations. Recruitment efforts are guided by operational needs, with emphasis placed on sourcing individuals with the relevant capabilities, experience and adaptability required within the food manufacturing and retail environment.

Employee turnover and workforce movements are monitored periodically to assess trends and support succession planning.

Turnover by Employee Category

Employee Category	FY2024		FY2025		FY2026	
	Pax	%	Pax	%	Pax	%
Senior Management	1	0.1	2	0.2	**0**	**0.0**
Management	11	1.1	19	1.9	**23**	**2.0**
Executive	14	1.4	24	2.3	**24**	**2.1**
Non-Executive	962	97.4	972	95.6	**1,101**	**95.9**
Total	**988**	**100.0**	**1,017**	**100.0**	**1,148**	**100.0**

OCCUPATIONAL SAFETY AND HEALTH ("OSH")

SDS recognises that maintaining a safe and healthy workplace is essential in supporting employee wellbeing, operational continuity and overall business sustainability. Given the operational nature of the Group's retail, manufacturing and distribution activities, SDS remains committed to implementing OSH practices aimed at ensuring a hazard-free workplace, promoting safe work practices and ensuring compliance with applicable safety and health regulations.

The Group's OSH practices are guided by compliance with the Occupational Safety and Health Act 1994, the Environmental Quality Act 1974 and other relevant Malaysian regulations and codes of practice. These requirements form the foundation of the Group's internal safety procedures, monitoring mechanisms and control measures.

OSH Governance and Oversight

The management of OSH at SDS is supported through a structured governance and monitoring approach across its operations. Responsibility for overseeing workplace safety practices rests with Management, which monitors the implementation of safety measures, compliance obligations and operational safety performance across the Group's activities.

To support effective coordination of workplace safety matters, designated Safety and Health Officers are responsible for facilitating the implementation of OSH-related practices and promoting adherence to internal safety requirements and applicable regulations. Employee and management representatives also participate in OSH Committees established across the Group's operations, providing a platform for workplace safety matters, operational risks and improvement measures to be discussed and addressed collaboratively.

In FY2026, 28 employees were involved in OSH Committees, creating a healthy dialogue across sites. OSH Committees also regularly update the Managing Director on performance metrics and recent developments to facilitate ongoing improvement to the Group's OSH approach through input on the ground.

OSH Risk Management

SDS adopts a preventive and competency-based approach to managing workplace risks. A key safety control implemented is the Hazard Identification, Risk Assessment and Risk Control methodology by the Department of Occupational Safety and Health ("DOSH"). In tandem, the Group's six-step procedure for risk identification enable proactive hazard management and minimisation of any safety concerns.

PROACTIVE HAZARD MANAGEMENT

- **STEP 01** Upon entering the workplace, an employee takes note of their surrounding environment
- **STEP 02** The employee actively observes and assesses any potential risks to their own wellbeing, the health of others and general workplace safety
- **STEP 03** Should any risks that threaten life or health be identified, the employee is empowered to halt their work in the event of a potential threat
- **STEP 04** The employee immediately reports the identified risk via the appropriate channel
- **STEP 05** The reported risk is thoroughly assessed and evaluated
- **STEP 06** Adequate measures are implemented to mitigate the identified risk effectively

The Group also continues to strengthen workplace safety through regular maintenance and monitoring of machinery, equipment and operational facilities to ensure safe working conditions across its operations. Where appropriate, SDS progressively incorporates operational improvements and automation initiatives to enhance workplace efficiency and reduce physically demanding tasks. In the event of workplace incidents or accidents, the Group undertakes internal reviews and investigations to identify contributing factors and implement appropriate follow-up and corrective actions to prevent recurrence and strengthen overall workplace safety practices.

Employees are also encouraged to remain alert to potential workplace hazards and promptly report safety concerns through the appropriate internal channels. Reported risks are reviewed and assessed by the relevant personnel to facilitate timely implementation of corrective and preventive measures where necessary. The OSH Committee also conducts regular internal audits to monitor progress, identify areas for improvement and recommend corrective actions. The Group's OSH performance is further validated by DOSH during its annual factory inspection.

Addressing Specific Health Risks

Given the operational nature of the Group's manufacturing and food handling activities, SDS also monitors workplace exposures associated with operational hazards such as excessive noise, air emissions and chemical handling. Preventive measures and workplace assessments are implemented to minimise potential health and safety risks arising from these operational activities. This includes monitoring stack emissions, conducting workplace noise risk assessments and carrying out chemical health risk assessments where applicable to support compliance with regulatory requirements and safeguard employee wellbeing.

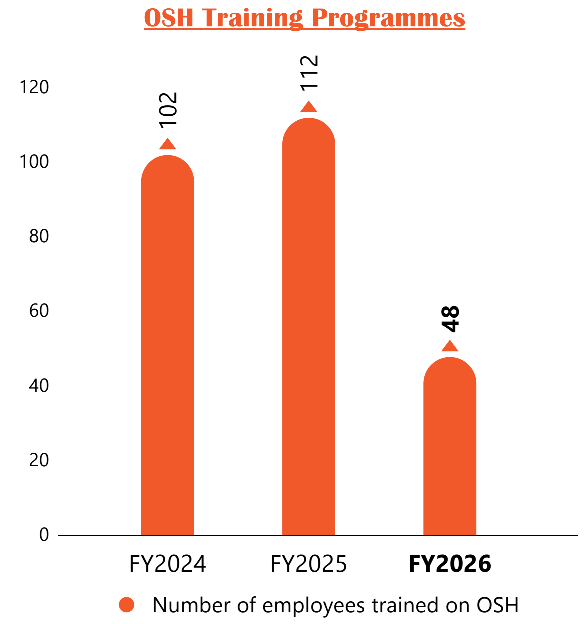
The Group also places strong emphasis on employee health and hygiene practices, particularly for employees involved in food handling activities. In line with Ministry of Health Malaysia requirements, food handlers are required to undergo Food Handling Training and receive typhoid vaccinations prior to commencing work. SDS also ensures that employees receive prompt medical attention in the event of illness or workplace injury.

OSH Training and Performance

SDS remains committed to achieving zero workplace fatalities and serious accidents. In FY2026, SDS recorded zero workplace fatalities, while total manhours increased to 3,074,760 from 2,974,140 in FY2025. The Lost Time Incident Rate remained relatively low at 0.65, reflecting the Group's continued focus on occupational safety and health despite higher operational activity and workforce exposure during the year.

	FY2024	FY2025	FY2026
Total manhours worked	2,850,120	2,974,140	**3,074,760**
Number of fatalities	0	0	**0**
Total number of lost time injuries	3	8	**10**
Lost Time Incident Rate *(number of lost days per 200,000 manhours worked)*	0.21	0.54	**0.65**

Recognising that employee awareness and preventive practices play an important role in maintaining workplace safety performance, SDS continues to invest in OSH-related training and safety awareness programmes across its operations. The Group aims to strengthen employees' understanding of workplace hazards, operational safety requirements and appropriate safety practices to foster a safer working environment.



COMMUNITY OUTREACH

SDS recognises the importance of contributing positively to the communities in which it operates. As a homegrown brand with a strong presence across local communities, the Group remains committed to supporting meaningful community initiatives and fostering positive social impact through its business activities and outreach efforts.

The Group continues to support community wellbeing through charitable contributions, sponsorships, employee participation, and collaborations with local organisations and community groups where appropriate. In FY2026, SDS's community engagement efforts included food donations to welfare associations and underprivileged communities, support for school and family-oriented programmes, contributions to charitable sports and health-related events, and participation in initiatives organised by local clubs and community partners.

Through these efforts, SDS aims to strengthen its relationship with surrounding communities while reinforcing its commitment to responsible and sustainable business practices.

" IN FY2026, THE GROUP INVESTED RM10,785 IN COMMUNITY-RELATED INITIATIVES, REACHING 13 ORGANISATIONS AND BENEFITING AN ESTIMATED 5,404 INDIVIDUALS.

BURSA MALAYSIA CSI PLATFORM PRESCRIBED TABLE

SDS GROUP BERHAD
BMLR Transition Period

Date & Time: 2026-07-24_11:07:20
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Anti-corruption	Bursa C1(a) Percentage of employees who have received training on anti-corruption - Senior Management	Percentage	100	100	—	No assurance
Anti-corruption	Bursa C1(a) Percentage of employees who have received training on anti-corruption - Management	Percentage	100	100	—	No assurance
Anti-corruption	Bursa C1(a) Percentage of employees who have received training on anti-corruption - Executive	Percentage	100	100	—	No assurance
Anti-corruption	Bursa C1(a) Percentage of employees who have received training on anti-corruption - Non-Executive	Percentage	92	100	—	No assurance
Anti-corruption	Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	100	—	No assurance
Anti-corruption	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	—	No assurance
Community/Society	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	14,291	10,785	—	No assurance
Community/Society	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	7,972	5,404	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by age group - Senior Management Under 30	Percentage	0.0	0.0	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-07-24_11:07:20

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SDS GROUP BERHAD

BMLR Transition Period

Date & Time: 2026-07-24_11:07:20

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

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	Bursa C3(a) Percentage of employees by age group - Senior Management 31-50	Percentage	62.5	50.0	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by age group - Senior Management 51-65	Percentage	25.0	37.5	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by age group - Senior Management Above 65	Percentage	12.5	12.5	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by age group - Management Under 30	Percentage	9.2	11.3	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by age group - Management 31-50	Percentage	73.7	67.6	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by age group - Management 51-65	Percentage	15.8	18.3	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by age group - Management Above 65	Percentage	1.3	2.8	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by age group - Executive Under 30	Percentage	9.3	7.9	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by age group - Executive 31-50	Percentage	73.2	75.3	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by age group - Executive 51-65	Percentage	16.3	15.7	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by age group - Executive Above 65	Percentage	1.2	1.1	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-07-24_11:07:20

SDS GROUP BERHAD
BMLR Transition Period

Date & Time: 2026-07-24_11:07:20
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	Bursa C3(a) Percentage of employees by age group - Non-Executive Under 30	Percentage	50.2	51.3	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by age group - Non-Executive Under 31-50	Percentage	43.5	42.8	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by age group - Non-Executive 51-65	Percentage	6.1	5.7	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by age group - Non-Executive Above 65	Percentage	0.2	0.2	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by gender - Senior Management Male	Percentage	75.0	75.0	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by gender - Senior Management Female	Percentage	25.0	25.0	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by gender - Management Male	Percentage	56.6	57.7	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by gender - Management Female	Percentage	43.4	42.3	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by gender - Executive Male	Percentage	69.8	64.0	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by gender - Executive Female	Percentage	30.2	36.0	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by gender - Non-Executive Male	Percentage	71.1	73.9	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-07-24_11:07:20

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SDS GROUP BERHAD

BMLR Transition Period

Date & Time: 2026-07-24_11:07:20

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

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	Bursa C3(a) Percentage of employees by gender - Non-Executive Female	Percentage	28.9	26.1	—	No assurance
Diversity	Bursa C3(b) Percentage of directors by gender - Male	Percentage	71.4	71.4	—	No assurance
Diversity	Bursa C3(b) Percentage of directors by gender - Female	Percentage	28.6	28.6	—	No assurance
Diversity	Bursa C3(b) Percentage of directors by age group - Under 30	Percentage	0.0	0.0	—	No assurance
Diversity	Bursa C3(b) Percentage of directors by age group - 31-50	Percentage	42.9	42.9	—	No assurance
Diversity	Bursa C3(b) Percentage of directors by age group - 51-65	Percentage	42.9	42.9	—	No assurance
Diversity	Bursa C3(b) Percentage of directors by age group - Above 65	Percentage	14.2	14.2	—	No assurance
Energy Management	Bursa C4(a) Total energy consumption	Gigajoules	231,080	235,836	—	No assurance
Health and safety	Bursa C5(a) Number of work-related fatalities	Number	0	0	—	No assurance
Health and safety	Bursa C5(b) Loss time incident rate	Rate	0.54	0.65	—	No assurance
Health and safety	Bursa C5(c) Number of employees trained on health and safety standards	Number	112	48	—	No assurance
Labour practices and standards	Bursa C6(a) Total hours of training - Senior Management	Hours	135.3	100.0	—	No assurance
Labour practices and standards	Bursa C6(a) Total hours of training - Management	Hours	547.0	665.0	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-07-24_11:07:20

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SDS GROUP BERHAD
BMLR Transition Period

Date & Time: 2026-07-24_11:07:20
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour practices and standards	Bursa C6(a) Total hours of training - Executive	Hours	336.0	1,232.0	—	No assurance
Labour practices and standards	Bursa C6(a) Total hours of training - Non-Executive	Hours	1,438.0	2,061.5	—	No assurance
Labour practices and standards	Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	12.9	13.6	—	No assurance
Labour practices and standards	Bursa C6(c) Total number of employee turnover - Senior Management	Number	2	0	—	No assurance
Labour practices and standards	Bursa C6(c) Total number of employee turnover - Management	Number	19	23	—	No assurance
Labour practices and standards	Bursa C6(c) Total number of employee turnover - Executive	Number	24	24	—	No assurance
Labour practices and standards	Bursa C6(c) Total number of employee turnover - Non-Executive	Number	972	1,101	—	No assurance
Labour practices and standards	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	—	No assurance
Supply chain management	Bursa C7(a) Proportion of spending on local suppliers	Percentage	93.4	93.5	—	No assurance
Data privacy and security	Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	—	No assurance
Water	Bursa C9(a) Total volume of water used	Megalitres	158.0	169.7	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-07-24_11:07:20

SDS GROUP BERHAD

BMLR Transition Period

Date & Time: 2026-07-24_11:07:20

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

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Waste management	Bursa C10(a) Total waste generated	Metric tonnes	4,410.3	5,044.2	—	No assurance
Waste management	Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	3,793.3	4,288.8	—	No assurance
Waste management	Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	617.0	755.4	—	No assurance
Emissions management	Bursa C11(a) Scope 1 emissions	Tonnes of carbon dioxide equivalent	12,811	12,842	—	No assurance
Emissions management	Bursa C11(b) Scope 2 emissions	Tonnes of carbon dioxide equivalent	7,805	8,477	—	No assurance
Emissions management	Bursa C11(c) Scope 3 emissions (at least for the categories of business travel and employee commuting)	Tonnes of carbon dioxide equivalent	1,957	2,354	—	No assurance

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Corporate Governance Overview Statement

THE BOARD OF DIRECTORS ("BOARD") OF SDS GROUP BERHAD ("SDS" OR "COMPANY") IS COMMITTED TOWARDS ENSURING GOOD CORPORATE GOVERNANCE PRACTICES ARE IMPLEMENTED AND MAINTAINED THROUGHOUT SDS AND ITS SUBSIDIARY COMPANIES (THE "GROUP") AS A FUNDAMENTAL PART OF DISCHARGING ITS DUTIES TO ENHANCE SHAREHOLDERS' VALUES CONSISTENT WITH THE BROAD PRINCIPLES, INTENDED OUTCOMES, GUIDANCE AND RECOMMENDATIONS AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE ("MCCG") AND THE MAIN MARKET LISTING REQUIREMENTS ("LISTING REQUIREMENTS") OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES").

This Corporate Governance Overview Statement ("CG Statement") should be read together with the Corporate Governance Report ("CG Report") which is available on the Company's website, www.sdsgroups.com, as well as via the announcement on the website of Bursa Securities.

The Board is pleased to report to the shareholders, the Company's application of the 3 key principles of the MCCG during the financial year ended 31 March 2026 ("FYE 2026"):

PRINCIPLE A:	PRINCIPLE B:	PRINCIPLE C:
Board Leadership and Effectiveness	**Effective Audit and Risk Management**	**Integrity in Corporate Reporting and Meaningful Relationships with Stakeholders**

PRINCIPLE A:

BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board takes full responsibility for the oversight and overall performance of the Company and provided leadership within a framework of prudence and effective controls which enables risks to be appropriately assessed and managed. To ensure effective discharge of their function and responsibilities, the Board has defined and collectively reviewed and approved the roles and responsibilities as well as the schedule of reserved matters in the Board Charter.

PRINCIPLE A:

BOARD LEADERSHIP AND EFFECTIVENESS

Board Committees

To assist the Board in the oversight function of specific responsibility areas, the Board has established the following Board Committees, namely:

1) Audit and Risk Management Committee ("ARMC"); and
2) Nominating and Remuneration Committee ("NRC")

Both committees have a written Terms of Reference to guide them to perform its roles and responsibilities respectively. The Chairperson of the respective Committees will report to the Board of the outcome of the Committee meetings for the Board's considerations and approvals. The extracts of such reports are incorporated in the minutes of the Board meetings. The Board retains full responsibility for the direction and control of the Company.

Roles of the Chairman and the Group Managing Director

The Chairman leads the Board and is responsible for the effective performance of the Board. He ensures all relevant issues and quality information to facilitate decision-making and effective running of the Company's business are included in the meeting agenda.

The positions of the Chairman and Managing Director are held by two (2) different individuals to promote accountability and facilitate the division of responsibilities between them. In this regard, no one individual can influence the Board's discussions and decision-making. Generally, the Chairman would lead the Board in its collective oversight of management, while the Managing Director focuses on the business and day-to-day management of the Company. The distinct and separate roles of the Chairman and Managing Director, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making, and are clearly defined in the Board Charter.

Role of the Company Secretary

The Board is supported by a Company Secretary who is qualified under Section 235(2)(a) of the Companies Act 2016. The appointment of the Company Secretary is based on the capability and proficiency determined by the Board. The Constitution of the Company permits the removal of the Company Secretary by the Board.

Access to Information and Advice

All members of the Board, whether as a whole or in their individual capacity, have access to the advice and services of the Company Secretary on all matters relating to the Group to assist them in the furtherance of their duties. The Board is regularly updated and kept informed by the Company Secretary and the Management of the requirements such as restrictions in dealing with the securities of the Company and updates as issued by the various regulatory authorities including the latest developments in the legislation and regulatory framework affecting the Group.

The Board established the Anti-Bribery and Anti-Corruption Policy in keeping with the commitment set forth to prevent bribery and corruption. SDS takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and integrity in all business dealings and relationships wherever the Group operates and expects the individuals and organisation the Group works with to uphold and adopt the same approach.

As an additional measure to safeguard the integrity of the Group, the Board has defined its' Whistleblowing Policy to provide guidance for stakeholders to report genuine concerns of any possible improprieties pertaining to financial reporting, compliance, malpractices and unethical business conduct within the Group. In addition, the Board has also defined its Code of Conduct and Ethics which serves as a tool for the Board to convey and instill its values in the organisation.

The Board Charter, Terms of Reference of the Board Committees, Director's Fit and Proper Policy, Anti-Bribery and Anti-Corruption Policy, Whistleblowing Policy and Code of Conduct and Ethics are accessible through the Company's website at www.sdsgroups.com.

PRINCIPLE A:

BOARD LEADERSHIP AND EFFECTIVENESS

Board Composition and Independence

The NRC oversees and reviews the overall composition of the Board in terms of size, the required mix of skills, experience and other qualities and core competencies for the Directors of the Company. The effectiveness of the Board as a whole and the contribution and performance of each individual Director to the effectiveness of the Board and the Board Committees will also be assessed by the NRC on an annual basis.

During the FYE 2026, there was no change in the number of Board members which comprised of seven (7) Directors, of which three (3) are Independent Non-Executive Directors ("INEDs"). The presence of three (3) INEDs fulfils the prescribed requirement of one-third (1/3) of the Board to be independent as stated in Paragraph 15.02(1)(a) of the Listing Requirements of Bursa Securities.

The presence of INEDs from various fields are invaluable assets to the Company and fulfil the pivotal role in corporate accountability. The role of INEDs is particularly important as they provide unbiased and independent views, advice and judgements to consider the interests of the Group and stakeholders.

The Board is supportive of boardroom diversity as it can offer greater depth and breadth compared to non-diverse board. The Board practices no discrimination in terms of appointment of Directors as well as hiring employees wherein the Directors and Senior Management are recruited based on their merit, skills and experiences and not driven by age, cultural background and gender. The appointment of two (2) female Directors, namely Ms. Lee Yee Ling and Ms. Patricia Rangene Packium also fulfil the prescribed requirement as stated in Paragraph 15.02(1)(b) of the Listing Requirements of Bursa Securities.

The profiles of the individual Directors are set out in the Directors' Profile in this Annual Report 2026.

Meetings and Time Commitment

The Board recognises that the decision-making process is highly dependent on the quality of information provided by the Board. In furtherance to this, every Director has access to all the information within the Company and/or the Group through the following means:

(i) The notices of meetings and board papers are prepared and circulated to the Directors and/or Board Committees Members at least five (5) working days prior to the scheduled Board Meetings.
(ii) Members of Key Senior Management attended Board and/or Board Committees meetings by invitation and report on areas which are within their responsibilities for the Board's decision making and effective discharge of the Board's responsibilities.
(iii) Regular updates and circulars on new regulations, guidelines or directives issued by Bursa Securities, Companies Commission of Malaysia, Securities Commission and any other relevant regulatory authorities.
(iv) The Directors, collectively or individually, may seek independent professional advice and information in furtherance of their duties at the Company's expense, if so required.

PRINCIPLE A:

BOARD LEADERSHIP AND EFFECTIVENESS

During the FYE 2026, five (5) Board meetings were held, and all the Board Papers were circulated to the Board in a timely manner. The Directors' attendance at the Board meetings during the FYE 2026 was as follows:

Director	Designation	Attendance
Dr. Lim Pang Kiam	Independent Non-Executive Chairman	5/5
Tan Kim Seng	Managing Director	5/5
Tan Kim Chai	Executive Director	5/5
Tan Yon Haw	Executive Director	5/5
Tan Kee Jin	Executive Director	5/5
Lee Yee Ling	Independent Non-Executive Director	5/5
Patricia Rangene Packium	Independent Non-Executive Director	5/5

The Board was satisfied with the level of time and commitment by the Directors towards fulfilling their roles and responsibilities as Directors of the Company during the FYE 2026. All the Directors do not hold directorships more than that prescribed under the Listing Requirements of Bursa Securities.

The Directors also made time to attend webinars/conferences/dialogues during FYE 2026 to equip themselves further with the knowledge to discharge their duties more effectively and to keep abreast of developments on a continuous basis in compliance with Paragraph 15.08 of the Listing Requirements of Bursa Securities as disclosed on pages 57 to 58 of this Annual Report 2026.

The Directors will continue to undergo periodic trainings in the relevant courses as well as attend seminars, conferences and similar events in keeping themselves abreast with the latest skills and knowledge to discharge their duties effectively.

Nominating and Remuneration Committee Statement

The members of the NRC comprise all Independent Non-Executive Directors as follows:

Name	Designation	Directorship
Patricia Rangene Packium	Chairperson	Independent Non-Executive Director
Dr. Lim Pang Kiam	Member	Independent Non-Executive Chairman
Lee Yee Ling	Member	Independent Non-Executive Director

PRINCIPLE A:

BOARD LEADERSHIP AND EFFECTIVENESS

Activities of the NRC

During the FYE 2026, the NRC performed the following activities in the discharge of its duties:

- Recommended the re-election of the directors who are to retire by rotation at the 8th Annual General Meeting ("AGM") of the Company
- Evaluated the performance of the Board and the Board Committees
- Assessed the independence of the Independent Directors of the Company
- Reviewed the term of office of the ARMC and assessed its effectiveness as a whole

Following the internal evaluation, the NRC concluded that each Director possesses the necessary competence, commitment and experience to effectively discharge their responsibilities.

In recommending suitable candidates for directorships and Board Committees to the Board, the NRC takes into consideration the candidate's experience, competency, character, time commitment and potential contribution to the Group. Any new nomination received is recommended to the Board after a comprehensive assessment and the NRC's endorsement. There were no new appointments of Directors during the FYE 2026.

Remuneration

The NRC also review the remuneration of the Board of Directors to ensure that it is aligned with the Company's performance and that the Directors are fairly rewarded at a level sufficient to attract and retain talents.

The remuneration of the Board of Directors is broadly categorised into those paid to Executive Directors and Non-Executive Directors.

The Executive Directors are remunerated in cash and in kind by way of salary, performance bonus and other benefits and entitlements, taking into consideration their experience, responsibilities, length of service, their individual performance and contribution as well as the overall performance of the Group and the Company. Non-Executive Directors are paid fees based on their experience and level of responsibility.

The NRC is responsible to make any recommendation to the Board on the remuneration package and benefits extended to the Executive Directors, whereas Non-Executive Directors' remuneration is a matter to be decided by the Board as a whole. The individual Director concerned must abstain from deliberations and voting on decisions in respect of his individual remuneration.

The Company pays its Directors annual fees which are approved by shareholders at the AGM. Non-Executive Directors are also paid meeting allowances for meetings attended and are reimbursed for reasonable expenses incurred in the course of discharging their duties. The Directors' Remuneration Policy is available on the Company's website at www.sdsgroups.com.

The remuneration details of the individual Directors for FYE 2026 are disclosed in Practice 8.1 of the CG Report. Similarly, the Board also disclosed on a named basis the Senior Management remuneration in bands of RM50,000 in Practice 8.2 of the CG Report.

PRINCIPLE B:

EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee

The members of the ARMC comprise all Independent Non-Executive Directors as follows:

Name	Designation	Directorship
Lee Yee Ling	Chairperson	Independent Non-Executive Director
Dr. Lim Pang Kiam	Member	Independent Non-Executive Chairman
Patricia Rangene Packium	Member	Independent Non-Executive Director

The Chairperson of the ARMC is distinct from the Chairman of the Board to promote unfettered objectivity during the Board's review of the ARMC's findings and recommendations. The present composition of the ARMC possess the requisite level of financial literacy and business acumen to have a sound understanding of the financial matters of the Group as well as an understanding of the latest developments in financial reporting, accounting and auditing standards.

The Board has the overall responsibility for the quality and completeness of the financial statements of the Company and the Group, both on a quarterly and full year basis, and has a duty to ensure that those financial statements are prepared based on appropriate and consistently applied accounting policies, supported by reasonably prudent judgement and estimates and in accordance with the applicable financial reporting standards.

The ARMC plays a crucial role in assisting the Board to scrutinise the information for disclosure to shareholders to ensure the accuracy, adequacy, validity and timeliness of the financial statements. The ARMC is relied upon by the Board to, among others, provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions as well as conflict of interest situations.

None of the members of the ARMC were a former partner of the external audit firm of the Company. To uphold utmost independence, the Board has no intention to appoint any former partner as a member of the ARMC or the Board.

The ARMC is empowered by the Board to review any matters concerning the appointment and re-appointment, resignations or dismissals of External Auditors, and review and evaluate factors relating to the independence of the External Auditors. The External Auditors are precluded from providing any services that may impair their independence or conflict with their role as External Auditors.

The External Auditors of the Company, Messrs Crowe Malaysia PLT, have confirmed to the ARMC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the By-Laws (on Professional Ethics, Conduct, and Practice) of the Malaysian Institute of Accountants.

The ARMC, having assessed the External Auditor's performance, will make its recommendation to the Board for reappointment, upon which the shareholders' approval will be sought at the AGM of the Company.

PRINCIPLE B:

EFFECTIVE AUDIT AND RISK MANAGEMENT

Risk Management and Internal Control Framework

The Board has the ultimate responsibility for reviewing the risks of the Group, approving the risk management framework and policy and overseeing the strategic risk management and internal control framework of the Group to achieve its objectives within an acceptable risk profile as well as safeguarding the assets and interest of stakeholders and shareholders of the Group.

The Board is supported by the ARMC which reports to the Board regarding the Group's risk exposures, including a review of risk assessment model used to monitor the risk exposures of the Group and the Management's view on the acceptable and appropriate level of risks faced by the Group. The ARMC will continue to evaluate, review and monitor the risk management framework and activities of the Group on on-going basis to identify, assess and monitor the key business risks of the Group to safeguard shareholders' investment in the Company and assets of the Group.

The Company also appointed outsourced internal auditors to provide independent assessments on the adequacy, efficiency and effectiveness of the internal control system of the Group. The internal auditors report directly to the ARMC, and internal audit plans are tabled to the ARMC for review and approval by the Board to ensure adequate coverage.

The assessment process of the risks by the management and establishment of internal control are ongoing, and these are undertaken by key personnel from the various departments in the Group. The Group will continuously enhance the existing system of risk management and internal control system by taking into consideration the changing business environment.

Further details on the features of the risk management and internal control framework, and the adequacy and effectiveness of this framework, are disclosed in the Statement on Risk Management and Internal Control in this Annual Report 2026.

PRINCIPLE C:

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

Compliance with Applicable Financial Reporting Standards

The Board takes responsibility for presenting a balanced and understandable assessment of the Group's operations and prospects each time it releases its quarterly and annual financial statements to shareholders.

The ARMC reviews the information to be disclosed to ensure its accuracy and adequacy.

A statement by Directors of their responsibilities in preparing the financial statements is set out on page 68 of this Annual Report 2026.

PRINCIPLE C:

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

Investors Relations and Shareholders Communication

The Company recognises the importance of effective and timely communication with shareholders and investors to keep them informed of the Group's latest financial performance and material business/corporate matters affecting the Company.

The Board has also established a dedicated section on the Company's website for corporate information on the Company's IPO Prospectus, announcements, financial information, annual reports and quarterly reports which are accessible to the public. Such information is available to shareholders and investors at www.sdsgroups.com. The website acts as a key communication channel for the Company to reach its shareholders and the general public.

The Investor Relations section on the Company's website enhances the investor relations function by providing shareholders and the general public with access to relevant information. Shareholders and the general public may direct their enquiries by contacting +607-2888 305 or info@sdsgroups.com.

The AGM provides the principal platform for dialogue and interactions with the shareholders. Notice of the AGM and Circular to shareholders is sent to the shareholders at least 28 days before the meeting to facilitate easy review by the shareholders. In respect of items on special business, the notice of meeting will be accompanied by a full explanation of the effects of the proposed resolution.

A Question-and-Answer session is provided during the AGM wherein the Directors, Company Secretary and the External Auditors will be available to answer to the queries raised by the shareholders.

Separate issues are tabled in separate resolutions at the AGM, voting is carried out systematically and motions carried through are properly recorded. In accordance with Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities, poll voting will continue to be carried out at the 9th AGM of the Company to be held on 28 August 2026.

Leverage on Information Technology for Effective Dissemination of Information

The Company's website at www.sdsgroups.com facilitates effective dissemination of the latest and up-to-date information pertaining to the Company to the investors and general public.

This Annual Report 2026, Circular/Statement to Shareholders, Notice of AGM and other AGM related documents will be made available on the Company's website or shareholders may request for the printed copy of the same from the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd.

A notification in respect of the availability of the aforesaid documents will be sent via email to shareholders with email address and via ordinary mail to the other shareholders.

Shareholders also have the option to submit to the Company's Share Registrar either in hard copy or by electronic form via https://srmy.vistra.com by selecting "Request for Annual Report/Circular" under the "Investor Services" or make their request to the Company's Share Registrar at +603-2783 9299 or is.enquiry@vistra.com.

STATEMENT BY THE BOARD ON CORPORATE GOVERNANCE STATEMENT

The Board has reviewed and approved this CG Statement on 27 July 2026. The Board is satisfied that this CG Statement provides the information necessary to enable shareholders to evaluate how the MCCG has been applied and obligations are fulfilled under the MCCG and Listing Requirements of Bursa Securities throughout the FYE 2026 by the Company.

LIST OF DIRECTORS' TRAINING DURING FYE 2026

Director	Programme	Date
DR. LIM PANG KIAM	Anti-Bribery & Corruption S.17A Corporate Liability Perspective Training by OTC Training Centre Sdn. Bhd.	19 April 2025
	US Tariff Hike & Its Impact on Businesses in Asia Pacific by Baker Tilly Singapore	6 May 2025
	MIA Town Hall 2024/2025 Session 3	8 May 2025
	ASEAN Amidst Shifting Global Order – A Dialogue with Professor Jeffrey Sachs by Sunway University Malaysia	23 May 2025
	GENCFO Summit 2025 – Thought Leadership Summit by AICPA CIMA	20-23 May 2025
	Finance Business Partnering by AICPA CIMA	10 June 2025
	Elevating Finance Professionals in a Disruptive World by AICPA CIMA	16 July 2025
	Strategic Oversight in Strategy Implementation: Getting Execution Right at the Board Level Program by Bursa Malaysia and ICDM	28 July 2025
	Directors & Management Training Program on ESG by AGV Sustainability & ESG Services Sdn. Bhd.	23 September 2025
	AI in Business: Disruption, Innovation and the Future of Work (Guest Speaker) by University Technology Petronas, Malaysia	30 September 2025
	National Sustainability Reporting Framework by Securities Commission Malaysia	17 October 2025
	MIA Town Hall 2025/2026	5 November 2025
	Audit Oversight Board's Conversation with Audit Committees by Securities Commission Malaysia	25 November 2025
TAN KIM SENG	Webinar on Tariffs, Contracts & Risk: What Every Malaysian Exporter & Supplier Must Know Now	18 April 2025
	Webinar on From Curiosity to Control: Board Intelligence in the Age of AI	27 February 2026
TAN KIM CHAI	Webinar on Tariffs, Contracts & Risk: What Every Malaysian Exporter & Supplier Must Know Now	18 April 2025
	Webinar on From Curiosity to Control: Board Intelligence in the Age of AI	27 February 2026

Director	Programme	Date
TAN YON HAW	Webinar on From Curiosity to Control: Board Intelligence in the Age of AI	27 February 2026
TAN KEE JIN	Halal Competency Program	24-25 November 2025
LEE YEE LING	Strategic Oversight in Strategy Implementation: Getting Execution Right at the Board Level	28 July 2025
	AOB Conversation with Audit Committee by Securities Commission Malaysia	25 November 2025
	Corruption & Bribery E-Learning & Quiz	6 March 2026
PATRICIA RANGENE PACKIUM	General Average and Salvage: Hot Button Legal Issues You Must Know in 2025	27 May 2025
	Virtual Conference on Corporate and Commercial Law 2025 Session 1: The Rise of ESG and Climate Litigation – Emerging Directors' Duties	10 November 2025
	Session 3: Corporate Sustainability and Governance	11 November 2025
	Session 7: AI & the Lawyer – Will We Be Replaced?	13 November 2025
	Session 9: Corporate Governance in Transition – The Evolving Role of the Company Secretaries in Malaysia Legal Landscape	13 November 2025
	Session 11: Managing Corporate Disputes	14 November 2025

Statement on Risk Management and Internal Control

INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors ("Board") of SDS Group Berhad ("SDS" or "Company") is pleased to present its Statement on Risk Management and Internal Control ("Statement"), which provides an overview of the nature and state of risk management and internal control system of the Company and its subsidiaries ("Group") for the financial year ended 31 March 2026. This Statement has been prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies ("SORMIC Guide 2025") and Malaysian Code on Corporate Governance 2021.

BOARD RESPONSIBILITY

The Board recognises the importance of good risk management practices and sound internal controls as the foundation of good corporate governance. The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control, and for reviewing its adequacy and effectiveness to ensure shareholders' interests and the Group's assets are safeguarded. The Group's risk management and internal control system cover not only the financial aspects of the Group, but also its operational and compliance activities.

The Board also oversees the governance of material sustainability-related risks and opportunities as part of its overall responsibility for risk management. In discharging its responsibilities, the Board considers environmental, social and governance ("ESG") factors that may affect the Group's strategy, operations, financial performance and long-term value creation.

Given the inherent limitations in any risk management and internal control system, such a system is designed to manage rather than eliminate risks that may impede the achievement of the Group's business objectives. Therefore, the risk management and internal control system can only provide reasonable and not absolute assurance against any material misstatement, loss, fraud or irregularities.

RISK MANAGEMENT

The Board recognises that risk management is an integral part of the Group's business operations and has, through delegation to the Audit and Risk Management Committee ("ARMC"), established an on-going process for identifying, evaluating and managing the significant risks faced by the Group. This process includes enhancing the risk management and internal control system as and when there are changes in the business environment and regulatory requirements. The process is subject to regular review by the Board.

The Board, through the ARMC, provides oversight of the Group's risk appetite and tolerance levels. The risk appetite is considered in relation to the Group's strategic objectives, financial position, operational capacity and regulatory obligations.

The duties and responsibilities of the ARMC in relation to risk management are as follows:

1. To oversee and recommend the risk management policies and procedures for the Group;
2. To review and recommend changes as needed to ensure that the Group has in place at all times a risk management policy which addresses the strategic, operational, financial and compliance risks;
3. To oversee the implementation and maintenance of a sound risk management framework which identifies, assesses, manages and monitors the Group's business risks;
4. To set reporting guidelines for Management to report to the ARMC on the effectiveness of the Group's management of its business risks;
5. To review the risk profile of the Group, including its subsidiaries, and to evaluate the measures taken to mitigate the business risks; and
6. To review the adequacy of Management responses to issues identified in the risk registers, ensuring that the risks are managed within the Group's risk appetite.

RISK MANAGEMENT (CONT'D)

The Board has established an Enterprise Risk Management Policy to facilitate and enhance the Group's ability to identify and manage key business risks that may arise during its day-to-day operations, processes and structures. A Risk Management Working Group ("RMWG"), comprising the Heads of Department, has been established to assume the overall responsibility for developing procedures and processes to identify, evaluate and monitor the Group's key business risks. These key business risks include strategic, operational, financial, regulatory compliance, reputational, cybersecurity and sustainability-related risks, which are periodically identified and assessed by Management and the RMWG, taking into account their likelihood, potential impact and effectiveness of existing controls. Relevant mitigation measures, including policies, procedures, delegated authority limits, information technology security controls, business continuity arrangements and management review processes, are implemented to manage these risks within the Group's risk appetite.

The Group embeds material ESG and sustainability-related risks into its overall risk management and internal control framework. The RMWG works collaboratively with the Sustainability Working Group to consider relevant sustainability matters, including environmental, social, governance, regulatory and supply chain-related risks during the Group's risk identification and assessment process. The relevant sustainability-related risks, where material, are reflected in the risk register and monitored through relevant control activities, reporting mechanisms and management review procedures. Matters are escalated to the ARMC and the Board where risk exposures exceed the Group's approved risk appetite or require further mitigation.

The ARMC, supported by the Internal Audit function, provides an independent assessment of the effectiveness of the Group's risk management framework and reports its findings to the Board. This helps to reduce uncertainties arising from both the Group's internal and external business environment, thereby enabling the Group to maximise opportunities while minimising potential adverse events.

INTERNAL AUDIT

The Board is fully aware of the importance of the internal audit function. The Group has engaged an independent professional consulting firm, Moore Risk Consulting Sdn. Bhd. ("IA Firm"), which is led by Mr. Joe Lee, Director, a Certified Internal Auditor and Chartered Member of Institute of Internal Auditors Malaysia, supported by a manager who oversees the audit assignments and an average of two (2) internal audit personnel who carry out the audit fieldwork. The IA Firm reports to the ARMC directly and assists the Board and ARMC in providing an independent assessment of the adequacy, efficiency and effectiveness of the Group's system of internal control.

The IA Firm is free from any relationships or conflicts of interest, which could impair the objectivity and independence of the internal audit function. The IA Firm does not have any direct operational responsibility or authority over any of the activities audited. The ARMC is satisfied that the internal audit team has the relevant experience, competency and resources to carry out the internal audit function effectively.

Scheduled internal audits are carried out based on the annual audit plan approved by the ARMC. The IA Firm conducts the internal audit assignments in accordance with a risk-based internal audit approach and is guided by the International Professional Practices Framework, which is the Global Internal Audit Standards issued by The Institute of Internal Auditors, a globally recognised professional body for internal auditors. In assessing internal controls, the IA Firm also makes reference to the Committee of Sponsoring Organisations of the Treadway Commission Internal Control – Integrated Framework, where relevant.

The assessment of the adequacy and effectiveness of existing internal controls in mitigating risks is carried out through interviews and discussions with the Management team, review of established policies and procedures and delegated authority limits, and observation and testing of internal controls on a sampling basis. The IA Firm has presented its audit findings and recommendations together with Management's response and action plans to the ARMC. Follow-up reviews will be carried out to assess the implementation status of Management's action plans and report the results to the ARMC accordingly.

INTERNAL AUDIT (CONT'D)

For the financial year ended 31 March 2026, the IA Firm completed and reported the following two (2) internal audit reviews:

Name of Entity Audited	Audited Areas
• SDS Food Manufacturing Sdn. Bhd. • SDS Top Baker Sdn. Bhd.	• Procurement to Payment
• Daily Bakery Sdn. Bhd. • SDS Bakery & Cafeteria Sdn. Bhd. • SDS Food Manufacturing Sdn. Bhd. • SDS Top Baker Sdn. Bhd.	• IT General Controls

INTERNAL CONTROL

The Board acknowledges that a sound system of internal control reduces, but cannot eliminate the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees, management overriding controls, and the occurrence of unforeseeable circumstances.

The Management receives and reviews regular reports on key financial data, performance indicators and regulatory matters. This is to ensure that matters requiring the Board's attention are highlighted for review, deliberation and decision-making on a timely basis. The Board will approve the appropriate responses or amendments to the Group's policies.

Internal control matters are reviewed, and the Board is updated on any significant control gaps requiring its attention and action. During the financial year under review and up to the date of approval of this Statement, there were no significant internal control failings or weaknesses identified that would materially affect the Group's financial performance or operations. Where areas for improvement were identified, Management has taken or is taking appropriate corrective actions to strengthen the Group's internal control system.

Other key elements of the Group's internal control system are as follows:

- An organisational structure in the Group with clear lines of authority, accountability and responsibility;
- Clearly defined terms of reference, authorities and responsibilities of the various Board Committees which include the ARMC and the Nominating and Remuneration Committee;
- Formalised internal policies and procedures are in place to support the Group in achieving its business objectives. These policies and procedures provide a basis for ensuring compliance with applicable laws and regulations, and also internal controls with respect to the conduct of business;
- Quarterly review of financial performance by the Board and the ARMC;
- Active participation and involvement by the Managing Director ("MD") and Executive Directors in the day-to-day running of the major businesses and regular discussions with the management teams of the respective business units on operational issues;
- Management monitors the adequacy and effectiveness of the Group's risk management and internal control system through periodic management reporting, compliance monitoring, incident reporting, internal audit findings and follow-up status of corrective actions. These reports support the Board and ARMC in identifying control weaknesses, risk trends and areas requiring further improvement;
- Regular reviews of management reports and operational data to monitor operating results and support the development of business strategies; and
- Established review procedures over sustainability-related information to enhance the accuracy, completeness and reliability of ESG disclosures in the Annual Report.

The Group will continue to foster a risk-awareness culture in all decision-making and manage all risks in a proactive and effective manner. This is to enable the Group to respond effectively to the changing business and competitive environment.

Statement on Risk Management and Internal Control

ASSURANCE

The Board, through the ARMC, has conducted an annual review of the adequacy and effectiveness of the Group's risk management and internal control system. The review considered key risks identified during the year, changes in the internal and external business environment, internal audit findings, Management's responses and corrective actions, financial and operational performance, regulatory compliance matters and assurances provided by Management. The role of the Management is to implement the Board's policies and guidelines on risk management and internal control, identify and assess strategic, operational, financial, compliance and other material risks, including sustainability-related risks where applicable, and to operate an effective internal control system to manage these risks.

The Board has obtained assurances from the MD and Chief Financial Officer that the Group's system of risk management and internal control is operating adequately and effectively for the financial year under review and up to the date of this Statement.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the External Auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system.

Based on their procedures performed, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material aspects, in accordance with the disclosure requirements set out in Section 7 of the SORMIC Guide 2025, nor has anything come to their attention to indicate that this Statement is factually inaccurate.

CONCLUSION

For the financial year under review, the Board is of the view that the Group's system of risk management and internal control, including the governance and management of material sustainability-related risks, remains adequate and effective in safeguarding shareholders' investments and the Group's assets. However, the Board is also cognisant of the fact that the Group's risk management framework and internal control system must continuously evolve to meet the changing business and regulatory environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the Group's risk management framework and internal control system.

This Statement was approved by the Board on 27 July 2026.

Audit and Risk Management Committee Report

INTRODUCTION

Pursuant to Paragraph 15.15 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors ("Board") of SDS Group Berhad is pleased to present the Audit and Risk Management Committee ("ARMC") Report which lays out the activities held for the financial year ended 31 March 2026 ("FYE 2026").

OBJECTIVES

The primary objective of the ARMC is to assist the Board in discharging its statutory duties and responsibilities, among others, providing additional assurance to the Board by giving an objective and independent review of financial, operational, administrative and risk controls and procedures, including establishing and maintaining internal controls.

The Terms of Reference ("TOR") of the ARMC can be accessed from the Company's website at www.sdsgroups.com.

COMPOSITION

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors, in compliance with Paragraph 15.09 of the Listing Requirements.

The composition of the ARMC during the financial year under review and details of their attendance are as follows:

Name	Designation	Number of meeting(s) attended
Lee Yee Ling	Chairperson	5/5
Dr. Lim Pang Kiam	Member	5/5
Patricia Rangene Packium	Member	5/5

The Company Secretary attended all the meetings together with the Executive Directors and Chief Financial Officer present by invitation. The Internal and External Auditors were also invited at certain meetings. In addition, the ARMC conducted private sessions with the Internal and External Auditors to discuss any matters which the ARMC may wish to discuss.

SUMMARY OF ACTIVITIES DURING FYE 2026

The ARMC discharged its duties and responsibilities to the best of their abilities in accordance with its' TOR. The summary of the ARMC activities during the FYE 2026 was as follows:

1. Financial Statements and Reporting Review

a) Reviewed and discussed four (4) unaudited quarterly results of the Group. The review included comparative quarterly and year-to-date results.
b) Reviewed the adequacy and appropriateness of disclosure of the unaudited quarterly financial statements before recommendation to the Board for consideration, approval and release to Bursa Securities. When reviewing these financial statements, the ARMC obtained reasonable assurance that the condensed interim financial statements were prepared in accordance with the applicable financial reporting standards and the Listing Requirements.

SUMMARY OF ACTIVITIES DURING FYE 2026 (CONT'D)

1. Financial Statements and Reporting Review (Cont'd)

c) Reviewed the audited financial statements of the Group and of the Company as well as the statutory auditors' report thereon prior to the submission to the Board for their consideration and approval, upon being satisfied that, inter alia, the financial statements were drawn up in accordance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016. The ARMC reviewed the statutory financial statements based on analytical approach whilst at the same time obtaining assurance from Management and the External Auditors that the financial statements complied with the relevant statutory requirements, accounting standards and the Malaysian Financial Reporting Standards to ensure that the audited financial statements presented a true and fair view of the Group's financial performance.

d) Reviewed the ARMC Report and Statement on Risk Management and Internal Control to ensure adherence to legal and regulatory reporting requirements before recommending to the Board for approval for inclusion in the Company's Annual Report 2025.

2. Matters Relating to External Audit

a) Reviewed and deliberated the Audit Planning Memorandum covering, amongst others, audit approaches, areas of audit emphasis, significant events during the financial year and timetable, before commencement of the annual statutory audit.

b) Reviewed and deliberated the Audit Review Memorandum, covering significant audit findings, potential key audit matters, significant deficiencies in internal control, status of audit and the independence and objectivity of the External Auditors.

c) Private session with the External Auditors without the presence of the Executive Directors and Management to discuss any issues arising from the annual statutory audit or any other matters the External Auditors may wish to discuss. There was no major issue raised during the meeting.

d) Considered and recommended the re-appointment of Crowe Malaysia PLT as the External Auditors and their audit fee to the Board for consideration based on competency, efficiency and transparency as demonstrated by the External Auditors during their audit.

3. Matters Relating to Internal Audit

a) Reviewed and approved the Internal Audit Review Plan for the FYE 2026 presented by the outsourced Internal Auditors to ensure adequate scope and resources of the internal audit function and coverage on the activities of the Group taking into consideration the assessment of key risk areas.

b) Reviewed and discussed the Internal Audit Report which consists of the findings, recommendations and Management responses to ensure that all key risks will be addressed, and adequate controls are in place on a timely basis.

c) Reviewed and assessed the adequacy of the scope, functions, independence, framework and methods, employed, competency as well as resources of the outsourced Internal Auditors and that they have the necessary authority to carry out their work.

4. Related Party Transactions

The ARMC also reviewed the recurrent related party transactions and any conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity and ensure that any such transaction is carried out at arm's length, on terms that are not detrimental to the Group and in the best interest of the Group and report the same to the Board.

INTERNAL AUDIT FUNCTION

The Group recognised that an internal audit function is essential to ensure the effectiveness of the Group's system of internal control and is an integral part of the risk management process.

1. Outsourced Internal Auditors

Moore Risk Consulting Sdn. Bhd. ("Internal Auditors") was appointed as Internal Auditors for the FYE 2026 and 2027 in May 2025. The Internal Auditors conduct independent, regular and systematic reviews of the key controls and processes in the operating units and assess compliance with the established policies and procedures. The Internal Auditors report directly to the ARMC and assist the Board in monitoring the internal controls and mitigating the risks of the Group. The outsourced internal audit function is free from any relationship or conflict of interest that could impair its objectivity and independence.

The Internal Auditor is guided by the International Professional Practices Framework by the Institute of Internal Auditors. Observations and findings from the audit reviews, including the recommended corrective actions were discussed with the Management.

The ARMC also reviewed the adequacy of the scope, functions, resources and competency of the internal audit functions and assessed the performance of the Internal Auditors in terms of their technical competencies and the manpower resources sufficiency and they have the necessary authority to carry out their work. The ARMC was of the opinion that the outsourced professional firm is independent and able to objectively carry out its role as internal auditors.

2. Summary of Internal Audit work for the FYE 2026

During the financial year under review, the Internal Auditors conducted two (2) audits on the following processes of the Group:

1. Procurement to Payment for SDS Food Manufacturing Sdn. Bhd. and SDS Top Baker Sdn. Bhd.
2. Information Technology General Controls

The internal audit reports together with the Management's response and proposed corrective action plans were then presented to the ARMC for their review during the ARMC meetings. The follow-up review was also conducted by the Internal Auditors to monitor and ensure corrective actions have been implemented by the management in a timely manner.

The total costs incurred for the internal audit function for FYE 2026 were RM58,796.

This ARMC Report was approved by the Board on 27 July 2026.

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SINCE 1987

Additional Compliance Information

AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the Company's External Auditors by the Group and the Company for the financial year ended 31 March 2026 ("FYE 2026") are as follows:

	Group RM'000	Company RM'000
Audit services rendered	207	28
Non-audit services rendered	5	5
Total	212	33

MATERIAL CONTRACTS

There was no material contracts entered into by the Group involving Directors' and major shareholders' interest which were still subsisting as at the end of the financial year, or which were entered into since the end of the previous financial period.

MATERIAL CONTRACTS RELATING TO LOANS

There were no material contracts relating to loans entered into by the Company and its subsidiaries involving Directors', chief executive's and/or major shareholders' interests.

RECURRENT RELATED PARTY TRANSACTIONS ("RRPTs")

The breakdown of the aggregate value of the RRPTs made during the FYE 2026 is as follows:

	Transacting Related Parties		Relationship of Related Parties with SDS Group Berhad ("SDSG")	Nature of RRPTs	Aggregate value of RRPT for 31 March 2026 (RM'000)
	Provider	Recipient			
1.	KS Tan Properties Sdn. Bhd.	SDS Food Manufacturing Sdn. Bhd.	Tan Kim Seng is a Director and Substantial Shareholder of SDSG and KS Tan Properties Sdn. Bhd. respectively. Tan Kee Jin is a Director of SDSG and the son of Tan Kim Seng.	Rental expense of premises	50
2.	SDS Tan Properties Sdn. Bhd.	• SDS Top Baker Sdn. Bhd. • SDS Bakery & Cafeteria Sdn. Bhd. • Daily Bakery Sdn. Bhd.	Tan Kim Seng and Tan Kim Chai are Directors and Substantial Shareholders of SDSG and SDS Tan Properties Sdn. Bhd. respectively. Tan Kee Jin is a Director of SDSG and the son of Tan Kim Seng.		549

	Transacting Related Parties		Relationship of Related Parties with SDS Group Berhad ("SDSG")	Nature of RRPTs	Aggregate value of RRPT for 31 March 2026 (RM'000)
	Provider	Recipient			
3.	TY Property Management Sdn. Bhd.	SDS Food Manufacturing Sdn. Bhd.	Tan Yong Thye and Tan Yong Ping are Directors and Shareholders of TY Property Management Sdn. Bhd. They are siblings of Tan Yon Haw who is a Director of SDSG.	Rental expense of premises	20
4.	Tan Kee Jin		Tan Kee Jin is a Director of SDSG and the son of Tan Kim Seng.		8
5.	Ng Chau Meng	SDS Top Baker Sdn. Bhd.	Ng Chau Meng is the spouse of Tan Kim Chai who is a Director and Substantial Shareholder of SDSG.		7
6.	Pua Geok Hong		Pua Geok Hong is the spouse of Tan Kim Seng who is a Director and Substantial Shareholder of SDSG. Tan Kee Jin is a Director of SDSG and the son of Tan Kim Seng and Pua Geok Hong.		20
7.	Tan Kim Choo		Tan Kim Choo is the sibling of Tan Kim Seng and Tan Kim Chai who are Directors and Substantial Shareholders of SDSG.		20
8.	Tan Kim Seng		Tan Kim Seng is a Director and Substantial Shareholder of SDSG.		17
9.	Tan Yon Haw		Tan Yon Haw is a Director of SDSG.		13

Directors' Responsibility Statement for the Audited Financial Statements

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

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

In preparing the financial statements, the Directors have:

(i) Adopted appropriate accounting policies and applied them consistently;
(ii) Made judgements and estimates that are reasonable and prudent; and
(iii) Prepared the financial statements on a going concern basis.

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

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

Financial Statements

FINANCIALS

Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2026.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the holding company in each subsidiary company are set out in the "Subsidiaries" of this report.

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

RESULTS

	The Group RM'000	**The Company RM'000**
Profit after taxation for the financial year	27,036	6,375
Attributable to:-		
Owners of the Company	26,823	6,375
Non-controlling interests	213	-
	27,036	6,375

DIVIDENDS

Dividends paid or declared by the Company since 31 March 2025 are as follows:-

	RM'000
Ordinary Share	
In respect of the financial year 31 March 2025	
A third interim single tier dividend of 0.50 sen per ordinary share, paid on 30 June 2025	2,723
In respect of the financial year 31 March 2026	
A first interim single tier dividend of 0.50 sen per ordinary share, paid on 26 December 2025	2,723
	5,446

On 29 May 2026, the Company declared second interim single tier dividend of 1.00 sen per ordinary share amounting to RM5,398,790 in respect of the current financial year, paid on 2 July 2026, to shareholders whose names appeared in the record of depositors on 18 June 2026. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 March 2027.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) the Company increased its issued and paid-up share capital from 409,630,765 to 546,173,689 by way of issuance of 136,542,924 new ordinary shares pursuant to the bonus issue exercise undertaken by the Company on the basis of 1 bonus share for every 3 existing ordinary shares held by the shareholders of the Company.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

(b) there were no issues of debentures by the Company.

TREASURY SHARES

During the financial year, the Company has purchased 3,576,700 of its issued ordinary shares from the open market at an average price of approximately RM0.67 per share. The total consideration paid for the purchase was RM2,411,147 including transaction costs. The shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

During the financial year, the Company has received 394,333 bonus shares pursuant to the Company's bonus issue exercise on the basis of 1 bonus share for every 3 existing ordinary shares held.

As at 31 March 2026, the Company held as treasury shares a total of 3,971,033 of its 546,173,689 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM2,411,147. The details of the treasury shares are disclosed in Note 17(c) to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

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, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

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

Tan Kim Chai
Tan Kim Seng
Dr. Lim Pang Kiam
Tan Kee Jin
Tan Yon Haw
Patricia Rangene Packium
Lee Yee Ling

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Lee Mok Koon
Teou Chau Hoyk

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares				
The Company	**At 1.4.2025**	**Bonus Issue**	**Bought**	**Sold**	**At 31.3.2026**
Direct Interests					
Tan Kim Seng	99,040,780	33,013,593	-	-	132,054,373
Tan Kim Chai	98,885,580	32,961,859	-	-	131,847,439
Tan Yon Haw	19,116,970	6,372,322	-	-	25,489,292
Tan Kee Jin	1,131,800	395,000	53,200	-	1,580,000
Dr. Lim Pang Kiam	81,000	27,000	261,800	-	369,800
Indirect Interests					
Tan Kim Seng #	7,261,620	2,427,206	747,000	-	10,435,826
Tan Kim Chai ^	1,491,620	497,206	-	-	1,988,826

Deemed interested by virtue of his direct substantial shareholding in SDS Tan Properties Sdn. Bhd. and interest through his spouse and children's direct shareholding in the Company.

^ Deemed interested by virtue of his direct substantial shareholding in SDS Tan Properties Sdn. Bhd.

By virtue of their substantial shareholding in the Company, Tan Kim Seng and Tan Kim Chai are deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from the following transactions:-

	The Group RM'000
Lease paid/payable to companies in which certain directors have controlling interests	599
Lease paid/payable to Directors	38
Lease paid/payable to Directors' family members	68

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

DIRECTORS' REMUNERATION

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

	From the Company RM'000	From the Subsidiaries RM'000	Total RM'000
Fees	138	-	138
Salaries, bonuses and other benefits	18	3,591	3,609
Defined contribution benefits	-	426	426
	156	4,017	4,173

INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Group and of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Percentage of Issued Share Capital Held by Parent %	Principal Activities
Subsidiaries of the Company			
SDS Food Manufacturing Sdn. Bhd. ("SDS Food")	Malaysia	100	Manufacturing and distributing of bakery products
SDS Enterprise Sdn. Bhd. ("SDS Enterprise")	Malaysia	100	Licensor of food & beverage ("F&B") outlets
Super Arrow Trading Pte. Ltd. ("Super Arrow")	Singapore	100	Wholesale of bakery products in Singapore
London Bakery Sdn. Bhd. ("London Bakery")	Malaysia	100	Manufacturing and distributing of bakery products
Subsidiaries of SDS Food			
SDS Top Baker Sdn. Bhd. ("SDS Top Baker")	Malaysia	100	Manufacturing and distributing of bakery products
SDS Bakery & Cafeteria Sdn. Bhd. ("SDS B&C")	Malaysia	100	Operator of F&B outlets
Daily Bakery Sdn. Bhd. ("Daily Bakery")	Malaysia	100	Manufacturing and distributing of bakery products
Subsidiary of SDS B&C			
City Cake House Sdn. Bhd. ("City Cake")	Malaysia	51	Operator of F&B outlet

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 30 January 2026, London Bakery entered into a conditional Sale and Purchase Agreement with a third party for the proposed acquisition of a piece of freehold land held under Geran 29534, Lot 900, Mukim Tebrau, District of Johor Bahru, Johor for a total purchase consideration of RM101,701,710. A deposit of RM10,170,171, representing 10% of the purchase consideration, has been paid. The proposed acquisition is still in progress as at the reporting date.

AUDITORS

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

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM'000	The Company RM'000
Audit fees	207	28
Non-audit fees	5	5
	212	33

Signed in accordance with a resolution of the directors dated 27 July 2026.

Tan Kim Chai

Tan Kim Seng

Statement by Directors

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Kim Chai and Tan Kim Seng, being two of the directors of SDS Group Berhad, state that, in the opinion of the directors, the financial statements set out on pages 82 to 139 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2026 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 27 July 2026.

Tan Kim Chai

Tan Kim Seng

Statutory Declaration

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Tan Kee Meng, MIA Membership Number: 42904, being the officer primarily responsible for the financial management of SDS Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 82 to 139 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Tan Kee Meng
at Ibrahim International Business District
in the State of Johor
on this 27 July 2026.

Tan Kee Meng

Before me

Nur Amreeta Kaur Gubachen Singh (J276)
Commissioner for Oaths

Independent Auditors' Report to the Members of SDS Group Berhad

(Incorporated in Malaysia)
Registration No: 201701026951 (1241117-T)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of SDS Group Berhad, which comprise the statements of financial position as at 31 March 2026 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 82 to 139.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2026, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (Cont'd)

Revenue Recognition Refer to Notes 4.10 and 24 to the financial statements	
Key Audit Matter	**How our audit addressed the key audit matter**
Total revenue of the Group for the financial year ended 31 March 2026 amounted to RM335.25 million, which represents the most significant amount in the financial statements. We identified this area as our key audit matter due to the voluminous transactions, whereby there is a risk that revenue may be over or understated intentionally or unintentionally.	Our procedures included, amongst others:- • Reviewed the adequacy and effectiveness of the internal control of the sales system on a sampling basis; • Performed transactions test by verifying the amount captured in general ledger to source documents to ascertain sales are properly supported and authorised on a sampling basis; and • Performed test of revenue cut-off and reviewed credit notes issued after the financial year end, to establish whether the transactions were recorded in the correct reporting period.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- 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.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 5 to the financial statements.

OTHER MATTERS

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

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Chin Siew Choo
03720/03/2027 J
Chartered Accountant

Johor Bahru

27 July 2026

Statements of Financial Position

As at 31 March 2026

		The Group		The Company	
	Note	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	5	-	-	34,878	34,877
Property, plant and equipment	6	143,022	133,335	-	-
Right-of-use assets	7	23,014	17,524	-	-
Investment property	8	13,701	-	-	-
Amount owing by subsidiaries	9	-	-	15,749	-
Goodwill	10	162	162	-	-
Deferred tax assets	11	51	17	-	-
		179,950	151,038	50,627	34,877
CURRENT ASSETS					
Inventories	12	8,077	10,150	-	-
Trade receivables	13	12,270	12,499	-	-
Other receivables, deposits and prepayments	14	17,591	6,697	81	50
Amount owing by subsidiaries	9	-	-	2,414	-
Current tax assets		-	164	30	40
Fixed deposits with licensed bank	15	3,216	3,356	-	-
Cash and bank balances		27,596	44,594	694	20,292
		68,750	77,460	3,219	20,382
TOTAL ASSETS		248,700	228,498	53,846	55,259

The annexed notes form an integral part of these financial statements.

	Note	The Group 2026 RM'000	The Group 2025 RM'000	The Company 2026 RM'000	The Company 2025 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	54,413	54,413	54,413	54,413
Reserves	17	119,364	100,782	(734)	748
Equity attributable to owners of the Company		173,777	155,195	53,679	55,161
Non-controlling interests		1,082	869	-	-
TOTAL EQUITY		174,859	156,064	53,679	55,161
NON-CURRENT LIABILITIES					
Lease liabilities	18	15,970	12,076	-	-
Term loans	19	2,984	3,116	-	-
Deferred tax liabilities	20	9,817	9,600	-	-
Contract liabilities	21	424	369	-	-
		29,195	25,161	-	-
CURRENT LIABILITIES					
Trade payables	22	22,053	26,481	-	-
Other payables and accruals	23	12,548	11,921	167	98
Lease liabilities	18	7,398	5,694	-	-
Term loans	19	314	424	-	-
Contract liabilities	21	769	791	-	-
Current tax liabilities		1,564	1,962	-	-
		44,646	47,273	167	98
TOTAL LIABILITIES		73,841	72,434	167	98
TOTAL EQUITY AND LIABILITIES		248,700	228,498	53,846	55,259

The annexed notes form an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

For the Financial Year ended 31 March 2026

		The Group		The Company	
	Note	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Revenue	24	335,245	345,668	6,300	5,652
Cost of sales		(223,770)	(227,336)	-	-
Gross profit		111,475	118,332	6,300	5,652
Other income		2,097	2,260	595	729
Administrative expenses		(20,446)	(19,188)	(437)	(399)
Selling and distribution expenses		(57,464)	(56,072)	-	-
Other operating expenses		(37)	(29)	(28)	(25)
Finance costs		(1,122)	(1,002)	-	-
Profit before taxation	25	34,503	44,301	6,430	5,957
Income tax expense	26	(7,467)	(10,646)	(55)	(56)
Profit after taxation		27,036	33,655	6,375	5,901
Other comprehensive expense					
Item that will be reclassified subsequently to profit or loss					
Foreign currency translation differences		(384)	(335)	-	-
Total comprehensive income for the financial year		26,652	33,320	6,375	5,901
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		26,823	33,283	6,375	5,901
Non-controlling interests		213	372	-	-
		27,036	33,655	6,375	5,901
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		26,439	32,948	6,375	5,901
Non-controlling interests		213	372	-	-
		26,652	33,320	6,375	5,901
EARNINGS PER SHARE (SEN)					
Basic / Diluted	27	4.93	6.09		

The annexed notes form an integral part of these financial statements.

Statements of Changes in Equity

For the Financial Year ended 31 March 2026

The Group	Note	Share Capital RM'000	Treasury Shares RM'000 (Non-Distributable)	Merger Deficit RM'000 (Non-Distributable)	Foreign Exchange Translation Reserve RM'000 (Non-Distributable)	Retained Profits RM'000 (Distributable)	Attributable To Owners of the Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
Balance at 1.4.2025		54,413	-	(27,760)	523	128,019	155,195	869	156,064
Profit after taxation for the financial year		-	-	-	-	26,823	26,823	213	27,036
Other comprehensive income for the financial year:									
- Foreign currency translation differences		-	-	-	(384)	-	(384)	-	(384)
Total comprehensive income for the financial year		-	-	-	(384)	26,823	26,439	213	26,652
Distributions to owners of the Company:									
- Purchase of treasury shares	17(c)	-	(2,411)	-	-	-	(2,411)	-	(2,411)
- Dividends	28	-	-	-	-	(5,446)	(5,446)	-	(5,446)
		-	(2,411)	-	-	(5,446)	(7,857)	-	(7,857)
Balance at 31.3.2026		54,413	(2,411)	(27,760)	139	149,396	173,777	1,082	174,859

The annexed notes form an integral part of these financial statements.

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Statements of Changes in Equity

For the Financial Year ended 31 March 2026

The Group	Note	Share Capital RM'000	Merger Deficit RM'000	Foreign Exchange Translation Reserve RM'000	Retained Profits RM'000	Attributable To Owners of the Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
			← Non-Distributable	→	Distributable			
Balance at 1.4.2024		54,413	(27,760)	858	100,266	127,777	742	128,519
Profit after taxation for the financial year		-	-	-	33,283	33,283	372	33,655
Other comprehensive income for the financial year:								
- Foreign currency translation differences		-	-	(335)	-	(335)	-	(335)
Total comprehensive income for the financial year		-	-	(335)	33,283	32,948	372	33,320
Distributions to owners of the Company:								
Dividends:								
- by the Company	28	-	-	-	(5,530)	(5,530)	-	(5,530)
- by the subsidiary to non-controlling interests		-	-	-	-	-	(245)	(245)
		-	-	-	(5,530)	(5,530)	(245)	(5,775)
Balance at 31.3.2025		54,413	(27,760)	523	128,019	155,195	869	156,064

The annexed notes form an integral part of these financial statements.

The Company	Note	Share Capital RM'000	Treasury Shares RM'000	Retained Profits RM'000	Total Equity RM'000
Balance at 1.4.2024		54,413	-	377	54,790
Profit after taxation/Total comprehensive income for the financial year		-	-	5,901	5,901
Distributions to owners of the Company:					
- Dividends	28	-	-	(5,530)	(5,530)
Balance at 31.3.2025/1.4.2025		54,413	-	748	55,161
Profit after taxation/Total comprehensive income for the financial year		-	-	6,375	6,375
Distributions to owners of the Company:					
- Purchase of treasury shares	17(c)	-	(2,411)	-	(2,411)
- Dividends	28	-	-	(5,446)	(5,446)
Balance at 31.3.2026		54,413	(2,411)	1,677	53,679

The annexed notes form an integral part of these financial statements.

Statements of Cash Flows

For the Financial Year ended 31 March 2026

	Note	The Group		The Company	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before taxation		34,503	44,301	6,430	5,957
Adjustments for:-					
Bad debts written off		*	1	-	-
Depreciation of property, plant and equipment		16,061	14,401	-	-
Depreciation of right-of-use assets		7,475	6,710	-	-
Depreciation of investment property		9	-	-	-
Interest expense on lease liabilities		973	832	-	-
Other interest expenses		149	170	-	-
Property, plant and equipment written off		8	2	-	-
Dividend income		-	-	(6,300)	(5,652)
Gain on disposal of property, plant and equipment		(440)	(350)	-	-
Gain on disposal of short-term investment		(356)	(485)	(356)	(485)
Gain on lease termination		(3)	(48)	-	-
Interest income		(767)	(729)	(239)	(243)
Reversal of impairment losses on trade receivables	13	-	(42)	-	-
Reversal of inventories previously written down	12	(14)	(38)	-	-
Unrealised gain on foreign exchange		(12)	(3)	-	-
Operating profit/(loss) before working capital changes		57,586	64,722	(465)	(423)
Decrease/(Increase) in inventories		2,087	(1,514)	-	-
Decrease/(Increase) in trade and other receivables		227	(340)	(31)	(28)
(Decrease)/Increase in trade and other payables		(3,786)	3,009	69	4
Increase in contract liabilities		33	40	-	-
CASH FROM/(FOR) OPERATIONS		56,147	65,917	(427)	(447)
Income tax paid		(8,217)	(8,143)	(48)	(105)
Income tax refunded		737	203	3	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES		48,667	57,977	(472)	(552)

* Denotes amount less than RM500.

The annexed notes form an integral part of these financial statements.

		The Group		The Company	
	Note	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Advances to subsidiaries		-	-	(24,170)	-
Deposit paid for future purchase of property, plant and equipment		(11,815)	(1,178)	-	-
Dividends received		-	-	6,300	5,652
Interest received		767	729	216	243
Investment in a subsidiary		-	-	(1)	-
Net repayment from subsidiaries		-	-	6,030	5,726
Placement of short-term investment		(48,600)	(33,600)	(48,600)	(33,600)
Proceeds from disposal of property, plant and equipment:					
- current financial year		558	165	-	-
- previous financial year		284	64	-	-
Purchase of property, plant and equipment:	29(a)				
- current financial year		(24,752)	(25,654)	-	-
- previous financial year		(484)	(345)	-	-
Purchase of investment property:					
- current financial year		(13,710)	-	-	-
Withdrawal of short-term investment		48,956	34,085	48,956	34,085
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(48,796)	(25,734)	(11,269)	12,106
CASH FLOWS FOR FINANCING ACTIVITIES					
Dividend paid to non-controlling interests		-	(245)	-	-
Dividends paid to shareholders of the Company	28	(5,446)	(5,530)	(5,446)	(5,530)
Drawdown of term loans	29(b)	300	350	-	-
Interest paid	29(b)	(1,122)	(1,002)	-	-
Purchase of treasury shares	17(c)	(2,411)	-	(2,411)	-
Repayment of lease liabilities	29(b)	(7,364)	(6,630)	-	-
Repayment of term loans	29(b)	(542)	(848)	-	-
NET CASH FOR FINANCING ACTIVITIES		(16,585)	(13,905)	(7,857)	(5,530)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(16,714)	18,338	(19,598)	6,024
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		(424)	(363)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		47,950	29,975	20,292	14,268
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	29(d)	30,812	47,950	694	20,292

The annexed notes form an integral part of these financial statements.

Notes to the Financial Statements

For the Financial Year ended 31 March 2026

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office and principal place of business are as follows:-

Registered office	:	Unit 7-01, Level 7, Menara Lagenda No. 3 Jalan SS20/27 47400 Petaling Jaya Selangor
Principal place of business	:	5, Jalan Selatan 8 Off Jalan Kempas Lama Kawasan Perusahaan Ringan Pulai 81200 Johor Bahru Johor

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

The financial statements of the Company and of the Group are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 27 July 2026.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards (“MFRSs”), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

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

MFRSs and/or IC Interpretations (including The Consequential Amendments)
Amendments to MFRS 121: Lack of Exchangeability

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

3. BASIS OF PREPARATION (CONT'D)

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

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

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application except as follows:-

<u>MFRS 18 Presentation and Disclosure of Financial Statements</u>

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and the Company has yet to be assessed.

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4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

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

(a) Depreciation of Property, Plant and Equipment, Right-of-use Assets and Investment Property

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment, right-of-use assets and investment property are based on commercial factors that could change significantly due to technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment, right-of-use assets and investment property will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could affect the economic useful lives and the residual values of these assets, therefore future depreciation charges may be revised. The carrying amounts of property, plant and equipment, right-of-use assets and investment property as at the reporting date are disclosed in Notes 6, 7 and 8 to the financial statements.

(b) Impairment of Property, Plant and Equipment, Right-of-use Assets and Investment Property

The Group determines whether an item of its property, plant and equipment, right-of-use assets and investment property are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. The carrying amounts of property, plant and equipment, right-of-use assets and investment property as at the reporting date are disclosed in Notes 6, 7 and 8 to the financial statements.

(c) Write-down of Inventories

Management periodically reviews damaged, obsolete, and slow-moving inventory. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 12 to the financial statements.

(d) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts them for qualitative and quantitative, reasonable and supportable, forward-looking information, where applicable. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 13 to the financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(e) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on their understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

(f) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not exercised. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

4.2 BASIS OF CONSOLIDATION

The Group applies the acquisition method of accounting for all business combinations except for those involving entities under common control which are accounted for applying the merger method of accounting.

Under the merger method of accounting, the assets and liabilities of the merger entities are reflected in the financial statements of the Group at their carrying amounts reported in the individual financial statements. The consolidated statement of profit or loss and other comprehensive income reflects the results of the merger entities for the full reporting period (irrespective of when the combination takes place) and comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

The difference between the cost of the merger and the share capital of the merger entities is reflected within equity as merger reserve or merger deficit, as appropriate. The merger deficit is adjusted against suitable reserves of the merger entities to the extent that laws or statues do not prohibit the use of such reserves.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.3 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets at Amortised Cost

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

(b) Financial Liabilities

Financial Liabilities at Amortised Cost

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

(c) Equity

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

Treasury Shares

Treasury shares are recorded on initial recognition at the consideration paid and directly attributable transaction costs incurred. The treasury shares are not remeasured subsequently.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the treasury shares. If such shares are reissued, any difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity. Where treasury shares are cancelled, their carrying amounts are shown as a movement in retained profits.

(d) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

4.4 GOODWILL

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any. A bargain purchase gain is recognised in profit or loss immediately.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.5 INVESTMENTS IN SUBSIDIARIES

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

4.6 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost.

Subsequent to initial recognition, all property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Buildings	2% - 4%
Motor vehicles	8.33% - 20%
Office equipment, furniture, fittings and renovation	10% - 20%
Plant, machinery and factory equipment	7% - 20%

Capital work-in-progress is not depreciated until such time when the asset is available for use.

4.7 INVESTMENT PROPERTY

Investment property is initially measured at cost. Subsequent to initial recognition, the investment property is stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on building is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives. The principal annual depreciation rate is:-

Building	2%

4.8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

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

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

(b) Right-of-use Assets

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

4.9 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials is determined on the first-in, first-out method and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition. Cost of finished goods includes cost of materials, labour and an appropriate proportion of production overheads.

4.10 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(a) Sale of Goods with Cash Term

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being at the point when the customer purchases the goods at the retail outlet. Payment for the transaction is due immediately at the point when the customer purchases the goods and takes delivery at the retail outlet.

(b) Sale of Goods with Credit Term

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance.

A receivable is recognised when the goods are delivered 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.10 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(c) Rendering of Licensing Services

Revenue from providing licensing services is recognised over time in the period in which the services are rendered. As a practical expedient, the Group recognises revenue on a straight-line method over the period of services.

(d) Rendering of Outlet Management and Consultancy Services

Revenue from providing outlet management and consultancy services is recognised at a point in time.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

(e) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(f) Membership Fee

The Group operates a membership programme that last 1 to 3 years where retail customers pay membership fee to entitle for membership discount for the duration of the membership programme. A contract liability is recognised at the time of receiving the membership fee. Revenue is recognised on a straight-line method over the period of membership.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2026 RM'000	2025 RM'000
Unquoted shares, at cost	34,878	34,877

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5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2026 %	2025 %	Principal Activities
Subsidiaries of the Company				
SDS Food	Malaysia	100	100	Manufacturing and distributing of bakery products
SDS Enterprise	Malaysia	100	100	Licensor of F&B outlets
Super Arrow ^	Singapore	100	100	Wholesale of bakery products in Singapore
London Bakery	Malaysia	100	-	Manufacturing and distributing of bakery products
Subsidiaries of SDS Food				
SDS Top Baker	Malaysia	100	100	Manufacturing and distributing of bakery products
SDS B&C	Malaysia	100	100	Operator of F&B outlets
Daily Bakery	Malaysia	100	100	Manufacturing and distributing of bakery products
Subsidiary of SDS B&C				
City Cake	Malaysia	51	51	Operator of F&B outlet

^ This subsidiary was audited by other firm of chartered accountant.

(a) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2026 %	2025 %	2026 RM'000	2025 RM'000
City Cake	49	49	1,082	869

Summarised financial information of non-controlling interests has not been presented as the non-controlling interests of the subsidiary are not material to the Group.

(b) On 21 July 2025, the Company subscribed 1,000 ordinary shares in London Bakery, representing 100% equity interests in London Bakery for a total cash consideration of RM1,000.

6. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.4.2025 RM'000	Additions (Note 29(a)) RM'000	Disposals RM'000	Written Off (Note 25) RM'000	Depreciation Charges (Note 25) RM'000	Reclassification RM'000	At 31.3.2026 RM'000
2026							
Carrying Amount							
Freehold land	32,212	8,065	-	-	-	-	40,277
Buildings	23,716	5,912	-	-	(679)	-	28,949
Motor vehicles	16,559	778	(118)	-	(4,984)	(66)	12,169
Office equipment, furniture, fittings and renovation	21,721	4,524	-	-	(3,875)	983	23,353
Plant, machinery and factory equipment	39,127	6,541	-	(8)	(6,523)	(917)	38,220
Capital work-in-progress	-	54	-	-	-	-	54
	133,335	25,874	(118)	(8)	(16,061)	-	143,022

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

The Group	At 1.4.2024 RM'000	Additions (Note 29(a)) RM'000	Disposals RM'000	Written Off (Note 25) RM'000	Depreciation Charges (Note 25) RM'000	Reclassification RM'000	At 31.3.2025 RM'000
2025							
Carrying Amount							
Freehold land	32,212	-	-	-	-	-	32,212
Buildings	23,008	130	-	-	(592)	1,170	23,716
Motor vehicles	11,872	9,083	(35)	-	(4,361)	-	16,559
Office equipment, furniture, fittings and renovation	17,011	8,190	-	(1)	(3,479)	-	21,721
Plant, machinery and factory equipment	33,932	9,750	(64)	(1)	(5,969)	1,479	39,127
Capital work-in-progress	2,649	-	-	-	-	(2,649)	-
	120,684	27,153	(99)	(2)	(14,401)	-	133,335

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

The Group	At Cost RM'000	Accumulated Depreciation and Impairment Losses RM'000	Carrying Amount RM'000
2026			
Freehold land	40,277	-	40,277
Buildings	36,102	(7,153)	28,949
Motor vehicles	52,398	(40,229)	12,169
Office equipment, furniture, fittings and renovation	53,315	(29,962)	23,353
Plant, machinery and factory equipment	99,369	(61,149)	38,220
Capital work-in-progress	54	-	54
	281,515	(138,493)	143,022
2025			
Freehold land	32,212	-	32,212
Buildings	30,190	(6,474)	23,716
Motor vehicles	53,107	(36,548)	16,559
Office equipment, furniture, fittings and renovation	47,483	(25,762)	21,721
Plant, machinery and factory equipment	92,427	(53,300)	39,127
	255,419	(122,084)	133,335

Included in the property, plant and equipment of the Group are freehold land and buildings pledged to licensed banks as security for banking facilities granted to the Group with carrying amount of RM14,641,000 and RM17,654,168 (2025 – RM14,641,000 and RM18,027,049) as disclosed in Note 19 to the financial statements.

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7. RIGHT-OF-USE ASSETS

The Group	At 1.4.2025 RM'000	Additions (Note 18) RM'000	Derecognition Due to Lease Termination RM'000	Modification of Lease Liabilities (Note 18) RM'000	Depreciation Charges (Note 25) RM'000	At 31.3.2026 RM'000
2026						
Carrying Amount						
Leasehold land	433	-	-	-	(7)	426
Buildings	31	-	-	-	(4)	27
Electrical equipment	45	-	-	-	(34)	11
Retail outlets, depots and hostels	17,015	1,483	(62)	11,334	(7,351)	22,419
Parking space	-	210	-	-	(79)	131
	17,524	1,693	(62)	11,334	(7,475)	23,014

The Group	At 1.4.2024 RM'000	Additions (Note 18) RM'000	Derecognition Due to Lease Termination RM'000	Modification of Lease Liabilities (Note 18) RM'000	Depreciation Charges (Note 25) RM'000	At 31.3.2025 RM'000
2025						
Carrying Amount						
Leasehold land	440	-	-	-	(7)	433
Buildings	35	-	-	-	(4)	31
Electrical equipment	53	64	-	-	(72)	45
Retail outlets, depots and hostels	14,840	4,722	(1,817)	5,897	(6,627)	17,015
	15,368	4,786	(1,817)	5,897	(6,710)	17,524

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

	The Group	
	2026 RM'000	2025 RM'000
Analysed by:-		
Cost	36,226	33,495
Accumulated depreciation	(13,212)	(15,971)
	23,014	17,524

(a) The Group leases a piece of leasehold land and building, electrical equipment, various retail outlets, depots, hostels and parking space of which the leasing activities are summarised below:-

(i)	Leasehold land and building	The remaining lease period of the leasehold land and building is 59 (2025 – 60) years, which is expiring in 2085.
(ii)	Electrical equipment, retail outlets, depots, hostels and parking space	The Group has leased a number of electrical equipment, retail outlets, depots, hostels and parking space and parking space that run between 1 to 3 (2025 – 1 to 3) years, with an option to renew the lease after that date. Some leases contain variable lease payments that are based on sales that the Group makes at the retail outlets. Any reasonably possible change in this key variable does not have a material impact on the profit after taxation and other comprehensive income of the Group.

(b) The leasehold land and building have been pledged to a licensed bank as security for banking facility granted to a subsidiary of the Group. As at the end of the financial year, the banking facility remained unutilised.

8. INVESTMENT PROPERTY

	The Group	
	2026 RM'000	2025 RM'000
Cost:-		
At 1 April	-	-
Addition during the financial year	13,710	-
At 31 March	13,710	-
Accumulated depreciation:-		
At 1 April	-	-
Depreciation during the financial year (Note 25)	9	-
At 31 March	9	-
	13,701	-

8. INVESTMENT PROPERTY (CONT'D)

	The Group	
	2026 **RM'000**	**2025** **RM'000**
Represented by:-		
Freehold land	8,226	-
Building	5,475	-
	13,701	-
Fair value	13,400	-

(a) The fair value of the investment property is within level 2 of the fair value hierarchy. It is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered valuer who has appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The most significant input into this valuation approach is the price per square foot of comparable properties. Adjustments are then made for differences in location, size, available facilities, market conditions and other factors to arrive at the fair value.

(b) The carrying amount of the investment property as at 31 March 2026 exceeded its fair value by approximately RM301,000. The excess is attributable to incidental costs of acquisition such as legal and professional fees, stamp duty and registration fees that were capitalised as part of the cost of the investment property in accordance with MFRS 140 Investment Property.

9. AMOUNT OWING BY SUBSIDIARIES

	The Company	
	2026 **RM'000**	**2025** **RM'000**
Non-current		
Non-trade balances	15,749	-
Current		
Non-trade balances	2,414	-
	18,163	-

(a) The non-trade balances (non-current) include an amount of RM10,170,171, representing unsecured interest free advances which are not expected to be repaid within the next 12 months. The remaining amount of RM5,579,000 represents unsecured advances which bore interest rates ranging from 3.33% – 3.40% (2025 – Nil) per annum. The amounts owing are to be settled in cash.

(b) The non-trade balances (current) represent unsecured advances which bore interest rate ranging from 3.33% – 3.40% (2025 – Nil) per annum. The amounts owing are to be settled in cash.

10. GOODWILL

	The Group	
	2026 RM'000	2025 RM'000
Cost:-		
At 1 April / 31 March	162	162

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

	The Group	
	2026 RM'000	2025 RM'000
SDS Top Baker	162	162

No impairment testing is done on this cash-generating unit as it is considered immaterial to the Group.

11. DEFERRED TAX ASSETS

The Group	At 1.4.2025 RM'000	Recognised in Profit or Loss (Note 26) RM'000	At 31.3.2026 RM'000
2026			
Deferred Tax Asset			
Contract liabilities	17	34	51

The Group	At 1.4.2024 RM'000	Recognised in Profit or Loss (Note 26) RM'000	At 31.3.2025 RM'000
2025			
Deferred Tax Asset			
Contract liabilities	24	(7)	17

12. INVENTORIES

	The Group	
	2026 RM'000	2025 RM'000
Raw materials	7,416	9,443
Finished goods	737	797
	8,153	10,240
Less: Inventories written down	(76)	(90)
	8,077	10,150
Recognised in profit or loss:-		
Inventories recognised as cost of sales	198,142	203,060
Reversal of inventories previously written down (Note 25)	(14)	(38)
Movement for inventories written down:-		
At 1 April	90	128
Reversal during the financial year	(14)	(38)
At 31 March	76	90

13. TRADE RECEIVABLES

	The Group	
	2026 RM'000	2025 RM'000
Trade receivables	12,311	12,540
Allowance for impairment losses	(41)	(41)
	12,270	12,499
Allowance for impairment losses:-		
At 1 April	41	83
Reversal during the financial year (Note 25)	-	(42)
Written off during the financial year	-	*
At 31 March	41	41

The Group’s normal trade credit terms range from 7 to 60 (2025 – 7 to 60) days.

* Denotes amount less than RM500.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Other receivables	133	395	-	-
Deposits	15,608	4,419	77	30
Prepayments	1,850	1,883	4	20
	17,591	6,697	81	50

Included in deposits of the Group at the end of the reporting period is an amount of RM12,247,198 (2025 – RM1,216,379) which represents downpayment paid for future purchase of property, plant and equipment and acquisition of land as disclosed in Note 35 to the financial statements.

15. FIXED DEPOSITS WITH LICENSED BANK

The fixed deposits with licensed bank of the Group at the end of the reporting period bore effective interest rates ranging from 0.28% to 0.48% (2025 – 1.48% to 1.68%) per annum. The fixed deposits have maturity periods ranging from 31 to 123 (2025 – 30 to 120) days for the Group.

16. SHARE CAPITAL

	The Group/The Company			
	2026	2025	2026	2025
	Number of Shares ('000)		RM'000	RM'000
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 April	409,631	409,631	54,413	54,413
Bonus issue	136,543	-	-	-
At 31 March	546,174	409,631	54,413	54,413

(a) The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

(b) During the financial year, the Company issued 136,542,924 new ordinary shares pursuant to the bonus issue exercise undertaken by the Company on the basis of 1 bonus share for every 3 existing ordinary shares held by the shareholders of the Company.

17. RESERVES

(a) Merger Deficit

The merger deficit represents the difference between the carrying value of the investment in subsidiaries and the share capital of the Company's subsidiaries upon consolidation under the merger accounting principle.

(b) Foreign Exchange Translation Reserve

The foreign exchange translation reserve arose from the translation of the financial statements of a foreign subsidiary whose functional currency is different from the Group's presentation currency.

(c) Treasury Shares

During the financial year, the Company has purchased 3,576,700 of its issued ordinary shares from the open market at an average price of approximately RM0.67 per share. The total consideration paid for the purchase was RM2,411,147 including transaction costs. The ordinary shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

During the financial year, the Company has received 394,333 bonus shares pursuant to the Company's bonus issue exercise on the basis of 1 bonus share for every 3 existing ordinary shares held.

Of the total 546,173,689 issued and fully paid-up ordinary shares at the end of the reporting period, 3,971,033 ordinary shares are held as treasury shares by the Company. None of the treasury shares were resold during the financial year.

Treasury shares have no rights to vote, receive dividends or participate in any other distribution. Treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, take-overs, notices, the requisition of meeting, the quorum for a meeting and the result of a vote on a resolution at a meeting.

18. LEASE LIABILITIES

The Group	Rental RM'000
At 1 April 2025	17,770
Additions (Notes 7 and 29(b))	1,693
Interest expense recognised in profit or loss (Note 25)	973
Changes due to lease modification (Note 7 and 29(b))	11,334
Derecognition due to lease termination (Note 29(b))	(65)
Repayment of principal	(7,364)
Repayment of interest expense	(973)
At 31 March 2026	23,368

18. LEASE LIABILITIES (CONT'D)

The Group	Rental RM'000	Hire Purchase RM'000	Total RM'000
At 1 April 2024	15,572	11	15,583
Additions (Notes 7 and 29(b))	4,786	-	4,786
Interest expense recognised in profit or loss (Note 25)	832	-	832
Changes due to lease modification (Note 7 and 29(b))	5,897	-	5,897
Derecognition due to lease termination (Note 29(b))	(1,866)	-	(1,866)
Repayment of principal	(6,619)	(11)	(6,630)
Repayment of interest expense	(832)	-	(832)
At 31 March 2025	17,770	-	17,770

	2026 RM'000	2025 RM'000
Analysed by:-		
Current liabilities	7,398	5,694
Non-current liabilities	15,970	12,076
	23,368	17,770

19. TERM LOANS

	The Group	
	2026 RM'000	2025 RM'000
Current liabilities	314	424
Non-current liabilities	2,984	3,116
	3,298	3,540

The term loans are secured by legal charges over certain freehold land and buildings of the Group as disclosed in Note 6 to the financial statements.

The above floating rate term loans of the Group bore effective interest rates ranging from 4.17% to 4.27% (2025 – 4.42% to 4.52%) per annum.

20. DEFERRED TAX LIABILITIES

The Group	At 1.4.2025 RM'000	Recognised in Profit or Loss (Note 26) RM'000	At 31.3.2026 RM'000
2026			
Deferred Tax Liabilities			
Property, plant and equipment *	10,405	(140)	10,265
Right-of-use assets	4,107	1,027	5,134
Unrealised foreign exchange gain	-	1	1
	14,512	888	15,400
Deferred Tax Assets			
Contract liabilities	(261)	12	(249)
Lease liabilities	(4,278)	(1,028)	(5,306)
Provisions	-	(28)	(28)
Unabsorbed reinvestment allowance	(372)	372	-
Unrealised foreign exchange loss	(1)	1	-
	(4,912)	(671)	(5,583)
	9,600	217	9,817

The Group	At 1.4.2024 RM'000	Recognised in Profit or Loss (Note 26) RM'000	At 31.3.2025 RM'000
2025			
Deferred Tax Liabilities			
Property, plant and equipment *	9,205	1,200	10,405
Right-of-use assets	3,609	498	4,107
Unrealised foreign exchange gain	5	(5)	-
	12,819	1,693	14,512
Deferred Tax Assets			
Contract liabilities	(245)	(16)	(261)
Lease liabilities	(3,772)	(506)	(4,278)
Unabsorbed reinvestment allowance	(1,796)	1,424	(372)
Unrealised foreign exchange loss	-	(1)	(1)
	(5,813)	901	(4,912)
	7,006	2,594	9,600

* Includes deferred tax from fair value adjustment in a purchase price allocation exercise.

21. CONTRACT LIABILITIES

	The Group	
	2026 RM'000	2025 RM'000
Current liabilities	769	791
Non-current liabilities	424	369
	1,193	1,160

Contract liabilities relate to the unsatisfied performance obligation in which the Group has yet to deliver the licensing and membership services to its customers. The contract liabilities are recognised to profit or loss only when the performance obligation has been fulfilled.

22. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 14 to 90 (2025 – 14 to 150) days.

23. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Other payables:-				
Third parties	3,134	2,897	81	18
Unpaid balances for acquisition of property, plant and equipment (Note 29(a))	482	484	-	-
Goods and services tax payable	96	101	-	-
Sales and service tax payable	870	414	-	-
	4,582	3,896	81	18
Deposits received	309	195	-	-
Accruals	1,595	1,759	86	80
Payroll liabilities	6,062	6,071	-	-
	12,548	11,921	167	98

24. REVENUE

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Revenue from Contracts with Customers				
Recognised at a point in time				
Sales of goods	333,345	343,908	-	-
Others	631	589	-	-
	333,976	344,497	-	-
Recognised over time				
License fee	36	28	-	-
Membership fee	1,233	1,143	-	-
	1,269	1,171	-	-
	335,245	345,668	-	-
Revenue from Other Sources				
Dividend income	-	-	6,300	5,652
	335,245	345,668	6,300	5,652

The information on the disaggregation of revenue by geographical market is disclosed in Note 32.2 to the financial statements.

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25. PROFIT BEFORE TAXATION

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Profit before taxation is arrived at:				
After Charging				
Auditors' remuneration:				
- audit fees:				
- auditors of the Company	207	205	28	28
- other auditors	30	21	-	-
- non-audit fee:				
- auditors of the Company	5	5	5	5
Bad debts written off	*	1	-	-
Depreciation:				
- property, plant and equipment (Note 6)	16,061	14,401	-	-
- right-of-use assets (Note 7)	7,475	6,710	-	-
- investment property (Note 8)	9	-	-	-
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- term loans	149	170	-	-
Interest expense on lease liabilities (Note 18)	973	832	-	-
Lease expenses:				
- short-term leases	1,144	1,067	-	-
- low-value assets	57	50	-	-
- variable lease payments	688	980	-	-
Property, plant and equipment written off (Note 6)	8	2	-	-
Staff costs (including other key management personnel as disclosed in Note 30(b)):				
- short-term employee benefits	69,092	67,086	-	-
- defined contribution benefits	5,824	5,356	-	-

25. PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Profit before taxation is arrived at:				
After Crediting				
Gain on disposal of property, plant and equipment	(440)	(350)	-	-
Gain on disposal of short-term investment	(356)	(485)	(356)	(485)
Gain on foreign exchange:				
- realised	(37)	(22)	-	-
- unrealised	(12)	(3)	-	-
Gain on lease termination	(3)	(48)	-	-
Interest income on financial assets measured at amortised cost	(767)	(729)	(239)	(243)
Rental income	(55)	-	-	-
Reversal of impairment loss on trade receivables (Note 13)	-	(42)	-	-
Reversal of inventories previously written down (Note 12)	(14)	(38)	-	-

* Denotes amount less than RM500.

26. INCOME TAX EXPENSE

Income Tax Expenses Recognised in Profit or Loss

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Income tax:				
- current financial year	7,881	8,259	54	51
- (over)/under provision in the previous financial year	(597)	(214)	1	5
	7,284	8,045	55	56
Deferred tax (Notes 11 and 20):				
- origination and reversal of temporary differences	366	2,479	-	-
- (over)/under provision of deferred tax in the previous financial year	(183)	122	-	-
	183	2,601	-	-
	7,467	10,646	55	56

26. INCOME TAX EXPENSE (CONT'D)

Income Tax Expenses Recognised in Profit or Loss (Cont'd)

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

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Profit before taxation	34,503	44,301	6,430	5,957
Tax at the statutory tax rate of 24% (2025 – 24%)	8,281	10,632	1,543	1,430
Tax effects of:-				
Non-taxable income	(103)	(132)	(1,599)	(1,478)
Non-deductible expenses	815	817	110	99
Differential in tax rate of a foreign subsidiary	(180)	(175)	-	-
Reduction in tax rate on company in other jurisdiction	(79)	(82)	-	-
Tax incentives:				
- deduction for employment of senior citizens	(73)	(39)	-	-
- reinvestment allowance	(414)	(283)	-	-
(Over)/Under provision of income tax in the previous financial year	(597)	(214)	1	5
(Over)/Under provision of deferred tax in the previous financial year	(183)	122	-	-
	7,467	10,646	55	56

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2025 – 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdiction is calculated at the rate prevailing in that jurisdiction.

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27. EARNINGS PER SHARE

(a) Basic Earnings Per Share

The basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	2026	**2025* (Restated)**
Profit attributable to owners of the Company (RM'000)	26,823	33,283
Weighted average number of ordinary shares in issue ('000)	544,482	546,174
Basic earnings per share (sen)	4.93	6.09

* The comparative figures have been restated to reflect the adjustments arising from bonus issue undertaken by the Company, which was completed during the current financial year.

(b) Diluted Earnings Per Share

The diluted earnings per share is equal to the basic earnings per share because there were no potential ordinary shares during the financial year.

28. DIVIDENDS

	The Group/The Company	
	2026 RM'000	**2025 RM'000**
In respect of financial year ended 31 March 2024		
Fourth interim single tier dividend of 0.35 sen per ordinary share	-	1,434
In respect of financial year ended 31 March 2025		
First interim single tier dividend of 0.40 sen per ordinary share	-	1,638
Second interim single tier dividend of 0.60 sen per ordinary share	-	2,458
Third interim single tier dividend of 0.50 per ordinary share	2,723	-
In respect of financial year ended 31 March 2026		
First interim single tier dividend of 0.50 sen per ordinary share	2,723	-
	5,446	5,530

Subsequent to the end of the financial year, the Company has declared second interim single tier dividend of 1.00 sen per ordinary share in respect of the current financial year and was paid on 2 July 2026.

29. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets are as follows:-

	The Group	
	2026 RM'000	**2025 RM'000**
Property, plant and equipment		
Cost of property, plant and equipment purchased (Note 6)	25,874	27,153
Less: Downpayment paid in the previous financial year	(640)	(1,015)
Less: Other payables – balances remained unpaid at financial year end (Note 23)	(482)	(484)
	24,752	25,654
Add: Payments in respect of previous financial year's purchases	484	345
	25,236	25,999
Right-of-use assets		
Cost of right-of-use assets acquired (Note 7)	1,693	4,786
Less: Addition of new lease liabilities (Note 18)	(1,693)	(4,786)
	-	-

(b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	**Lease Liabilities RM'000**	**Term Loans RM'000**	**Total RM'000**
2026			
At 1 April 2025	17,770	3,540	21,310
Changes in Financing Cash Flows			
Proceeds from drawdown	-	300	300
Repayment of principal	(7,364)	(542)	(7,906)
Repayment of interests	(973)	(149)	(1,122)
	(8,337)	(391)	(8,728)
Other Changes			
Acquisition of new leases (Notes 18 and 29(a))	1,693	-	1,693
Changes due to lease modification (Note 18)	11,334	-	11,334
Derecognition due to lease termination (Note 18)	(65)	-	(65)
Interest expense recognised in profit or loss (Note 25)	973	149	1,122
	13,935	149	14,084
At 31 March 2026	23,368	3,298	26,666

29. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

The Group	Lease Liabilities RM'000	Term Loans RM'000	Total RM'000
2025			
At 1 April 2024	15,583	4,038	19,621
Changes in Financing Cash Flows			
Proceeds from drawdown	-	350	350
Repayment of principal	(6,630)	(848)	(7,478)
Repayment of interests	(832)	(170)	(1,002)
	(7,462)	(668)	(8,130)
Other Changes			
Acquisition of new leases (Notes 18 and 29(a))	4,786	-	4,786
Changes due to lease modification (Note 18)	5,897	-	5,897
Derecognition due to lease termination (Note 18)	(1,866)	-	(1,866)
Interest expense recognised in profit or loss (Note 25)	832	170	1,002
	9,649	170	9,819
At 31 March 2025	17,770	3,540	21,310

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group	
	2026 RM'000	2025 RM'000
Payment of short-term leases	1,144	1,067
Payment of low-value assets	57	50
Variable lease payments	688	980
Interest paid on lease liabilities	973	832
Payment of lease liabilities	7,364	6,630
	10,226	9,559

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Fixed deposits with licensed bank	3,216	3,356	-	-
Cash and bank balances	27,596	44,594	694	20,292
	30,812	47,950	694	20,292

30. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
(a) Directors				
Directors of the Company				
Short-term employee benefits:				
- fees	138	175	138	175
- salaries, bonuses and other benefits	3,609	3,536	18	17
	3,747	3,711	156	192
Defined contribution benefits	426	416	-	-
	4,173	4,127	156	192
Directors of the Subsidiaries				
Short-term employee benefits:				
- salaries, bonuses and other benefits	237	220	-	-
Defined contribution benefits	23	21	-	-
	260	241	-	-
Total directors' remuneration	4,433	4,368	156	192
(b) Other Key Management Personnel				
Short-term employee benefits	737	717	-	-
Defined contribution benefits	98	97	-	-
Total compensation for other key management personnel	835	814	-	-

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31. RELATED PARTY DISCLOSURES

(a) Subsidiaries

The subsidiaries are disclosed in Note 5 to the financial statements.

(b) Significant Related Party Transactions and Balances

In addition to the related party transactions information disclosed in the statement of cash flows, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Group	
	2026	**2025**
	RM'000	**RM'000**
Companies in which certain directors have controlling interests		
Lease paid/payable	599	508
Directors		
Lease paid/payable	38	22
Directors' family members		
Lease paid/payable	68	68

	The Company	
	2026	**2025**
	RM'000	**RM'000**
Subsidiaries		
Dividend income received/receivable	(6,300)	(5,652)
Interest income received/receivable	(137)	(139)

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in Note 9 to the financial statements.

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32. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Managing Director as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a monthly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 3 main reportable segments as follows:-

- Retail – involved in the manufacturing of products and dealing directly with ultimate customers through the Group's retail outlets. Companies under this segment included SDS Food, SDS B&C, City Cake and SDS Enterprise.

- Wholesale – involved in the manufacturing of products and distributing to the retailer through the Group's fleet of lorries. Companies under this segment included SDS Top Baker, Daily Bakery, Super Arrow and London Bakery.

- Other – provide group-level management services. Company under this segment is SDS Group Berhad.

(a) The Managing Director assesses the performance of the reportable segments based on their profit before interest expense and tax. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Borrowings and investment-related activities are managed on a group basis by the central treasury function and are not allocated to reportable segments.

(b) Each reportable segment assets is measured based on all assets (including goodwill) of the segment other than tax-related assets.

(c) Each reportable segment liabilities is measured based on all liabilities of the segment other than borrowings and tax-related liabilities and borrowings managed on a group basis by the corporate segment.

(d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items.

Transactions between reportable segments are carried out on agreed terms between both parties. Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties. The effects of such inter-segment transactions are eliminated on consolidation.

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32. OPERATING SEGMENTS (CONT'D)

32.1 BUSINESS SEGMENTS

31.03.2026	Retail Segment RM'000	Wholesale Segment RM'000	Other Segment RM'000	The Group RM'000
Revenue				
External revenue	129,650	205,595	-	335,245
Inter-segment revenue	11,880	221	6,300	18,401
	141,530	205,816	6,300	353,646
Consolidation adjustments				(18,401)
Consolidated revenue				335,245
Results				
Segment profit	16,079	23,892	6,895	46,866
Finance costs				(1,122)
Unallocated expenses				(464)
Consolidation adjustments				(10,777)
Consolidated profit before taxation				34,503
Other information				
Depreciation of property, plant and equipment	(5,771)	(10,290)	-	(16,061)
Depreciation of right-of-use assets	(6,641)	(834)	-	(7,475)
Depreciation of investment property	-	(9)	-	(9)

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32. OPERATING SEGMENTS (CONT'D)

32.1 BUSINESS SEGMENTS (CONT'D)

31.3.2026	Retail Segment RM'000	Wholesale Segment RM'000	Other Segment RM'000	The Group RM'000
Assets				
Segment assets	128,719	162,725	53,816	345,260
Unallocated assets:				
- deferred tax assets				51
Consolidation adjustments				(96,611)
Consolidated total assets				248,700
Additions to non-current assets other than financial instruments and deferred assets are:-				
Property, plant and equipment	4,581	21,293	-	25,874
Right-of-use assets	926	767	-	1,693
Investment property	-	13,710	-	13,710
Liabilities				
Segment liabilities	20,642	52,642	167	73,451
Unallocated liabilities:				
- current tax liabilities				1,564
- deferred tax liabilities				9,817
- lease liabilities				23,368
- term loans				3,298
Consolidation adjustments				(37,657)
Consolidated total liabilities				73,841

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32. OPERATING SEGMENTS (CONT'D)

32.1 BUSINESS SEGMENTS (CONT'D)

31.03.2025	Retail Segment RM'000	Wholesale Segment RM'000	Other Segment RM'000	The Group RM'000
Revenue				
External revenue	136,378	209,290	-	345,668
Inter-segment revenue	19,030	309	5,651	24,990
	155,408	209,599	5,651	370,658
Consolidation adjustments				(24,990)
Consolidated revenue				345,668
Results				
Segment profit	22,473	25,815	6,380	54,668
Finance costs				(1,002)
Unallocated expenses				(424)
Consolidation adjustments				(8,941)
Consolidated profit before taxation				44,301
Other information				
Depreciation of property, plant and equipment	(5,088)	(9,313)	-	(14,401)
Depreciation of right-of-use assets	(5,931)	(779)	-	(6,710)

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32. OPERATING SEGMENTS (CONT'D)

32.1 BUSINESS SEGMENTS (CONT'D)

31.3.2025	Retail Segment RM'000	Wholesale Segment RM'000	Other Segment RM'000	The Group RM'000
Assets				
Segment assets	121,230	121,866	55,219	298,315
Unallocated assets:				
- current tax assets				164
- deferred tax assets				17
Consolidation adjustments				(69,998)
Consolidated total assets				228,498
Additions to non-current assets other than financial instruments and deferred assets are:-				
Property, plant and equipment	13,269	13,884	-	27,153
Right-of-use assets	4,387	399	-	4,786
Liabilities				
Segment liabilities	22,547	28,208	99	50,854
Unallocated liabilities:				
- current tax liabilities				1,962
- deferred tax liabilities				9,600
- lease liabilities				17,770
- term loans				3,540
Consolidation adjustments				(11,292)
Consolidated total liabilities				72,434

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32. OPERATING SEGMENTS (CONT'D)

32.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include deferred tax assets.

The Group	Revenue 2026 RM'000	Revenue 2025 RM'000	Non-current Assets 2026 RM'000	Non-current Assets 2025 RM'000
Malaysia	318,669	328,448	179,899	151,021
Singapore	16,399	16,605	-	-
Indonesia	177	615	-	-
	335,245	345,668	179,899	151,021

32.3 MAJOR CUSTOMERS

There is no single customer that contributed 10% or more to the Group's revenue.

33. CAPITAL COMMITMENTS

	The Group 2026 RM'000	The Group 2025 RM'000
Purchase of property, plant and equipment	1,269	1,023

34. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy of the Group and of the Company focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

34.1 FINANCIAL RISK MANAGEMENT POLICIES

The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currency giving rise to this risk is primarily Singapore Dollar ("SGD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The exposure to foreign currency risk (a currency which is other than the functional currencies of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

	The Group	
	2026 RM'000	**2025 RM'000**
SGD		
Financial Liability		
Trade payables	(1,442)	(1,533)
Currency Exposure	(1,442)	(1,533)

Foreign Currency Risk Sensitivity Analysis

Any reasonably possible change in the foreign currency exchange rate at the end of the reporting period against the respective functional currencies of the entities within the Group does not have a material impact on the profit after taxation and equity of the Group and hence, no sensitivity analysis is presented.

The Company does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group adopts a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 19 to the financial statements.

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest Rate Risk Sensitivity Analysis

Any reasonably possible change in the interest rates of floating rate term loans at the end of the reporting period does not have a material impact on the profit after taxation and equity of the Group and hence, no sensitivity analysis is presented.

The Company does not have any interest-bearing borrowings and hence, is not exposed to interest rate risk.

(iii) Equity Price Risk

The Group and the Company do not have any quoted investments and hence, are not exposed to equity price risk.

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

(i) Credit Risk Concentration Profile

The Group determines the concentration of credit risk by monitoring the geographical region of its trade receivables on an on-going basis. The credit risk concentration profile of trade receivables at the end of the reporting period is as follows:-

	The Group	
	2026 RM'000	**2025 RM'000**
Malaysia	9,945	9,953
Singapore	2,325	2,477
Indonesia	-	69
	12,270	12,499

At the end of the reporting period, the Group's major concentration of credit risk relates to the amounts owing by Nil (2025 – 1) customer which constituted approximately Nil % (2025 – 11%) of its trade receivables, net of loss allowance.

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries of RM3,967,648 (2025 – RM4,226,791), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

(iii) Assessment of Impairment Losses

The Group has a formal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group closely monitors the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group evaluates whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following the events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. The Group uses a more lagging past due criterion for certain trade receivables when it is more appropriate to reflect their loss patterns.

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables have been grouped based on the shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 36 months (2025 – 36 months) before the reporting date and corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group has identified the inflation rate as the key macroeconomic factor of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

The Group	Non-credit Impaired RM'000	Credit Impaired RM'000	Total RM'000
Trade Receivables			
At 1 April 2024	41	42	83
Reversals	-	(42)	(42)
At 31 March 2025 / 31 March 2026	41	-	41

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

Allowance for Impairment Losses (Cont'd)

The information about the credit exposure and loss allowances recognised for trade receivables are as follows:-

The Group	Gross Amount RM'000	Lifetime Collective Allowance RM'000	Carrying Amount RM'000
2026			
Current (not past due)	7,659	-	7,659
- 1 to 30 days past due	3,491	-	3,491
- 31 to 60 days past due	760	-	760
- 61 to 90 days past due	69	-	69
- more than 90 days past due	332	(41)	291
	12,311	(41)	12,270
2025			
Current (not past due)	8,205	-	8,205
- 1 to 30 days past due	3,598	-	3,598
- 31 to 60 days past due	462	-	462
- 61 to 90 days past due	140	-	140
- more than 90 days past due	135	(41)	94
	12,540	(41)	12,499

The movements in the loss allowances in respect of trade receivables are disclosed in Note 13 to the financial statements.

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

Allowance for Impairment Losses

No expected credit loss is recognised on other receivables as it is negligible.

Fixed Deposits with Licensed Bank, Cash and Bank Balances

The Group and the Company consider the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing by Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing by Subsidiaries (Non-trade Balances) (Cont'd)

The Company uses 3 categories to reflect its credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Non-performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

Based on the assessment performed, the impairment loss was immaterial and hence, it is not provided for.

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:
- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

Allowance for Impairment Losses

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

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34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash and bank balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 – 5 Years RM'000	Over 5 Years RM'000
2026						
Non-derivative Financial Liabilities						
Trade payables	-	22,053	22,053	22,053	-	-
Other payables and accruals	-	11,273	11,273	11,273	-	-
Lease liabilities	4.17 - 4.52	23,368	25,224	8,260	16,426	538
Term loans	4.17 - 4.27	3,298	3,968	445	1,743	1,780
		59,992	62,518	42,031	18,169	2,318
2025						
Non-derivative Financial Liabilities						
Trade payables	-	26,481	26,481	26,481	-	-
Other payables and accruals	-	11,211	11,211	11,211	-	-
Lease liabilities	3.27 - 5.82	17,770	19,375	6,420	12,742	213
Term loans	4.42 - 4.52	3,540	4,227	570	1,962	1,695
		59,002	61,294	44,682	14,704	1,908

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Company	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000
2026				
Non-derivative Financial Liabilities				
Other payables and accruals	-	167	167	167
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries^	-	-	3,968	3,968
		167	4,135	4,135
2025				
Non-derivative Financial Liabilities				
Other payables and accruals	-	98	98	98
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries^	-	-	4,227	4,227
		98	4,325	4,325

^ The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees had not been recognised in the financial statements since their fair value on initial recognition were not material.

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34. FINANCIAL INSTRUMENTS (CONT'D)

34.2 CAPITAL RISK MANAGEMENT

The Group and the Company manage their capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio. The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and bank balances exceeded the total external borrowings.

There was no change in the approach to capital management during the financial year.

34.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Financial Assets				
Amortised Cost				
Trade receivables (Note 13)	12,270	12,499	-	-
Other receivables (Note 14)	133	395	-	-
Amount owing by subsidiaries (Note 9)	-	-	18,163	-
Fixed deposits with licensed bank (Note 15)	3,216	3,356	-	-
Cash and bank balances	27,596	44,594	694	20,292
	43,215	60,844	18,857	20,292
Financial Liabilities				
Amortised Cost				
Trade payables (Note 22)	22,053	26,481	-	-
Other payables and accruals (Note 23)	11,273	11,211	167	98
Lease liabilities (Note 18)	23,368	17,770	-	-
Term loans (Note 19)	3,298	3,540	-	-
	59,992	59,002	167	98

34. FINANCIAL INSTRUMENTS (CONT'D)

34.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Financial Assets				
Fair Value Through Profit or Loss				
Net gains recognised in profit or loss	412	596	412	596
Amortised Cost				
Net gains recognised in profit or loss	711	660	183	132
Financial Liabilities				
Amortised Cost				
Net losses recognised in profit or loss	(1,073)	(977)	-	-

34.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

As the Group and the Company do not have any financial instruments carried at fair value, the following table sets out only the fair value profile of financial instruments that are not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments not Carried at Fair Value				
The Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total Fair Value RM'000	Carrying Amount RM'000
2026					
Financial Liability					
Term loans	-	3,298	-	3,298	3,298
2025					
Financial Liability					
Term loans	-	3,540	-	3,540	3,540

34. FINANCIAL INSTRUMENTS (CONT'D)

34.5 FAIR VALUE INFORMATION (CONT'D)

As the Group and the Company do not have any financial instruments carried at fair value, the following table sets out only the fair value profile of financial instruments that are not carried at fair value at the end of the reporting period (Cont'd):-

The Company	Fair Value of Financial Instruments not Carried at Fair Value			Total	Carrying
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Fair Value RM'000	Amount RM'000
2026					
Financial Asset					
Amount owing by subsidiaries (non-current)	-	5,579	8,996	14,575	15,749

Fair Value of Financial Instruments Not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

(i) The level 2 fair value of amount owing by subsidiaries (non-current) is repriced to market interest rates on or near the reporting date.

(ii) The level 3 fair value of the amount owing by subsidiaries (non-current) is calculated based on the present value of the projected repayment of loans using discount rates equal to the current market rates.

(iii) The fair value of the term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

35. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 30 January 2026, London Bakery entered into a conditional Sale and Purchase Agreement with a third party for the proposed acquisition of a piece of freehold land held under Geran 29534, Lot 900, Mukim Tebrau, District of Johor Bahru, Johor for a total purchase consideration of RM101,701,710. A deposit of RM10,170,171, representing 10% of the purchase consideration, has been paid. The proposed acquisition is still in progress as at the reporting date.

Shariah Screening Disclosure

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) Group Total Income and Total Assets

	Group	
Total Income	**2026 (RM'000)**	**2025 (RM'000)**
Revenue	335,245	345,668
Interest income	767	729
Other income	1,330	1,531
Total	**337,342**	**347,928**
Total Assets	**248,700**	**228,498**

(B) Business Activities

		Group	
Shariah Non-Compliant Activities	**Remarks**	**2026 (RM'000)**	**2025 (RM'000)**
Interest income		385	443
Gain from investment in conventional instruments		109	145
Other Shariah non-compliant activities	Cash rebate from conventional credit card	1	1
Total		**495**	**589**

(C) Component of Financial Position

(i) Cash Component

	Group	
Islamic Account/Instruments	**2026 (RM'000)**	**2025 (RM'000)**
Cash at bank (exclude cash in hand)	2,459	9,844
Cash in hand	146	146
Total	**2,605**	**9,990**

(C) Component of Financial Position (Cont'd)

(i) Cash Component (Cont'd)

Conventional Account/Instruments	Remarks	Group 2026 (RM'000)	Group 2025 (RM'000)
Cash at bank (exclude cash in hand)		20,270	32,267
Deposits with bank in foreign jurisdiction:			
non-interest-bearing	Singapore	4,721	2,337
Deposits with bank in foreign jurisdiction:			
interest-bearing	Singapore	3,216	3,356
Total		**28,207**	**37,960**

(ii) Debt Component

Conventional Borrowing	Group 2026 (RM'000)	Group 2025 (RM'000)
Current		
Term loans	314	424
Non-Current		
Term loans	2,984	3,116
Total	**3,298**	**3,540**

List of Properties

As at 31.3.2026

No.	Address of property	Description of property/ Existing use	Tenure/ Date of expiring of lease	Land area/ Built-up area (Sq ft)	Approximate age of the buildings (Years)	Net book value as at 31/3/2026 (RM'000)	Date of last revaluation/ Date of acquisition*
1	PTD 162517, No. 5 & 5A, Jalan Selatan 8, Kawasan Perusahaan Ringan Pulai, 81200 Johor Bahru, Johor	1 ½ storey factory with a warehouse and office annexed to two 4-storey factory buildings with warehouse and office/ Warehouse, office and production	Freehold	152,385/ 183,774	29	17,148	13/4/2016
2	PTD 64574, No. 62, Jalan Bukit Kempas 5/1, Taman Bukit Kempas, 81200 Johor Bahru, Johor	2-storey terrace house/ Hostel	Freehold	1,302/ 1,571	31	124	16/10/2014
3	PTD 64573, No. 64, Jalan Bukit Kempas 5/1, Taman Bukit Kempas, 81200 Johor Bahru, Johor	2-storey terrace house/ Hostel	Freehold	1,300/ 1,571	31	124	1/5/1995*
4	Lot 18696 (PT6123), Jalan Tech Valley 1, Sendayan Tech Valley, 71950 Bandar Sri Sendayan, Negeri Sembilan	1 ½ storey factory with a warehouse annexed to a 2-storey office/ Warehouse, office and production	Freehold	321,292/ 74,880	10	23,570	30/4/2016
5	No. 6, Jalan Niaga 2, Bandar Baru Kota Tinggi, 81900 Kota Tinggi, Johor	2-storey shophouse/ Outlet operation and hostel	Leasehold of 99 years expiring in 14.5.2085	1,540/ 2,460	37	453	19/11/2004
6	H.S.(M) No. 888, MLO 2536, Mukim Tebrau, Johor Bahru, Johor	Agriculture land/ Vacant	Freehold	130,685/-	-	3,557	3/4/2023*
7	G.M. No. 773, MLO 6976, Mukim Tebrau, Johor Bahru, Johor	Industrial land/ Vacant	Freehold	183,202/-	-	6,603	12/5/2023*
8	G.M. No. 1119, MLO 6974, Mukim Tebrau, Johor Bahru, Johor	Industrial land/ Vacant	Freehold	136,056/-	-	4,619	16/8/2023*

No.	Address of property	Description of property/ Existing use	Tenure/ Date of expiring of lease	Land area/ Built-up area (Sq ft)	Approximate age of the buildings (Years)	Net book value as at 31/3/2026 (RM'000)	Date of last revaluation/ Date of acquisition*
9	GRN 136989, Lot 111743, No. 1, Jalan Istimewa 2, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor Bahru, Johor	1 ½ storey corner detached warehouse annexed to a 3-storey office/ Rented to third party tenant	Freehold	58,373/ 30,673	21	13,701	28/2/2026
10	GRN 136988, Lot 111742, No. 3, Jalan Istimewa 2, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor Bahru, Johor	1 ½ storey semi-detached factory with office/ Warehouse, office and production	Freehold	14,402/ 10,373	25	2,246	28/2/2026
11	GRN 136987, Lot 111741, No. 5, Jalan Istimewa 2, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor Bahru, Johor	1 ½ storey semi-detached factory with office/ Warehouse, office and production	Freehold	14,402/ 10,373	25	2,246	28/2/2026
12	GRN 136986, Lot 111740, No. 7, Jalan Istimewa 2, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor Bahru, Johor	1 ½ storey semi-detached factory with office/ Warehouse and production	Freehold	14,402/ 10,373	25	2,247	28/2/2026
13	GRN 136985, Lot 111739, No. 9, Jalan Istimewa 2, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor Bahru, Johor	1 ½ storey semi-detached factory with office/ Warehouse and production	Freehold	14,402/ 10,373	25	2,247	28/2/2026
14	GRN 136984, Lot 111738, No. 11, Jalan Istimewa 2, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor Bahru, Johor	1 ½ storey semi-detached factory with office/ Warehouse and production	Freehold	14,402/ 10,373	25	2,247	28/2/2026
15	GRN 136983, Lot 111737, No. 15, Jalan Istimewa 2, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor Bahru, Johor	1 ½ storey semi-detached factory with office/ Warehouse and production	Freehold	14,402/ 10,373	25	2,247	28/2/2026

Analysis of Shareholdings

As at 30 June 2026

Number of Shares Issued	:	546,173,689 (Including 7,844,733 treasury shares)
Voting rights	:	One vote for one ordinary share
No. of Shareholders	:	2,735

DISTRIBUTION OF SHAREHOLDINGS

CATEGORY	NO. OF HOLDERS	%	NO. OF SHARES*	%*
Less than 100	211	7.71	7,006	0.00
100 - 1,000	510	18.65	180,733	0.03
1,001 - 10,000	911	33.31	4,310,357	0.80
10,001 - 100,000	874	31.96	29,491,436	5.48
100,001 to less than 5% of issued shares	226	8.26	288,106,945	53.52
5% and above of issued shares	3	0.11	216,232,479	40.17
TOTAL	**2,735**	**100.00**	**538,328,956**	**100.00**

		SHAREHOLDINGS			
SUBSTANTIAL SHAREHOLDERS		Direct Interest	%*	Deemed interest	%*
1	TAN KIM SENG	127,054,373	23.60	10,435,826 [a]	1.94
2	TAN KIM CHAI	131,847,439	24.49	2,088,826 [b]	0.39

		SHAREHOLDINGS			
DIRECTORS' SHAREHOLDINGS		Direct Interest	%*	Deemed interest	%*
1	TAN KIM SENG	127,054,373	23.60	10,435,826 [a]	1.94
2	TAN KIM CHAI	131,847,439	24.49	2,088,826 [b]	0.39
3	TAN YON HAW	25,489,292	4.74	-	-
4	TAN KEE JIN	1,580,000	0.29	-	-
5	DR. LIM PANG KIAM	569,800	0.11	-	-
6	LEE YEE LING	-	-	-	-
7	PATRICIA RANGENE PACKIUM	-	-	-	-

Notes:

(a) Deemed interested by virtue of his interests in SDS Tan Properties Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016 ("the Act") and the shareholdings of his spouse, Pua Geok Hong and his children, Tan Kee Meng and Tan Xin Ee pursuant to Section 59(11)(c) of the Act.

(b) Deemed interested by virtue of his interests in SDS Tan Properties Sdn. Bhd. pursuant to Section 8(4) of the Act and the shareholdings of his daughter, Tan Ji Eng pursuant to Section 59(11)(c) of the Act.

* Excluding a total of 7,844,733 shares bought-back by the Company and retained as treasury shares.

THIRTY (30) LARGEST SHAREHOLDERS

NO.	NAME OF SHAREHOLDER	NO. OF SHARES	%*
1	TAN KIM CHAI	110,514,106	20.53
2	TAN KIM SENG	60,538,373	11.25
3	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KIM SENG (7003782)	45,180,000	8.39
4	TEOU CHAU HOYK	25,004,626	4.64
5	TAN YONG PING	24,332,480	4.52
6	TAN YONG HERNG	22,948,213	4.26
7	TAN YON HAW	21,822,626	4.05
8	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KIM SENG (E-TSA/MSI)	21,336,000	3.96
9	TAN YONG THYE	19,847,346	3.69
10	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KIM CHAI (E-TSA/MSI)	13,333,333	2.48
11	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KIM CHAI (7005859)	8,000,000	1.49
12	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	7,393,000	1.37
13	TAN XIN EE	6,887,000	1.28
14	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD	6,022,000	1.12
15	CHAW KAM SHIANG	5,170,000	0.96
16	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANG YAM FUNG (E-TSA)	5,000,000	0.93
17	TAN KIM LEAN	4,200,000	0.78
18	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN YONG THYE (E-TSA/TPG)	3,966,666	0.74
19	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN YON HAW (E-TSA/TPG)	3,666,666	0.68
20	CARTABAN NOMINEES (ASING) SDN. BHD. THE BANK OF NEW YORK MELLON FOR ACADIAN EMERGING MARKETS MICRO-CAP EQUITY MASTER FUND	2,586,008	0.48
21	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (UOBESGSCEQ)	2,500,533	0.47
22	TEO KWEE HOCK	2,299,166	0.43
23	HSBC NOMINEES (TEMPATAN) SDN. BHD. BNPP SIN/2S FOR PERTUBUHAN KESELAMATAN SOSIAL (PKSUOBAM EQ)	2,261,366	0.42
24	CHIA SOOK MEI	1,993,000	0.37
25	SDS TAN PROPERTIES SDN. BHD.	1,988,826	0.37
26	ENKO HOLDINGS SDN. BHD.	1,974,966	0.37
27	CHAY TIAN LOKE	1,963,800	0.36
28	NG JIUN SHYAN	1,665,100	0.31
29	CHI ON KANG	1,580,000	0.29
30	TAN KEE JIN	1,580,000	0.29
	TOTAL	**437,555,200**	**81.28**

* Excluding a total of 7,844,733 shares bought-back by the Company and retained as treasury shares.

Notice of the Ninth ("9th") Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 9th Annual General Meeting ("AGM") of SDS Group Berhad ("the Company") will be held at Maharani Hall, 1st Floor, Impiana Hotel Senai, Jalan Impian Senai Utama 2, Taman Impian Senai, 81400 Senai, Johor on **Friday, 28 August 2026 at 10.00 a.m.** or any adjournment thereof for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2026 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 1)**

2. To approve the payment of Directors' Fees for the financial year ended 31 March 2026. **ORDINARY RESOLUTION 1**

3. To approve the payment of Directors' Benefit up to an amount of RM25,000 for the period from the conclusion of the 9th AGM of the Company scheduled on 28 August 2026 until the date of the 10th AGM of the Company. **ORDINARY RESOLUTION 2**

4. To re-elect the following Directors, who retire in accordance with Article 18.2 of the Company's Constitution and being eligible, has offered themselves for re-election:

   (i) Mr. Tan Kim Seng **ORDINARY RESOLUTION 3**

   (ii) Ms. Lee Yee Ling **ORDINARY RESOLUTION 4**

5. To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **ORDINARY RESOLUTION 5**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolutions:

6. **AUTHORITY UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **ORDINARY RESOLUTION 6**

   "THAT subject always to the Companies Act, 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and approvals of Bursa Securities and other relevant governmental/ regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered, pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit and expedient in the interest of the Company provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company at the time of submission to the authority;

   AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

   AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company, unless revoked or varied by ordinary resolution of the Company at a general meeting.

   AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

7. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **ORDINARY RESOLUTION 7**

"THAT approval be and is hereby given to the Company and its' subsidiaries ("the Group") to enter into and give effect to the recurrent related party transactions of a revenue or trading nature particulars with the specified classes of related parties as specified in Section 2.6 of the Circular to Shareholders dated 31 July 2026, provided that:

(a) such arrangements and/or transactions are necessary for the Group's day-to-day operations;

(b) such arrangements and/or transactions undertaken are in the ordinary course of business, at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third party;

(c) such arrangements and/or transactions are not detrimental to the minority shareholders of the Company; and

(d) the disclosure is made in the annual report on the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year in relation to:

(i) the related transacting parties and their respective relationship with the Company; and

(ii) the nature of the recurrent transactions.

THAT such authority shall continue to be in force until:

(a) the conclusion of the next AGM, unless the authority is renewed by a resolution passed at the next AGM; or

(b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but will not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

8. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY** **ORDINARY RESOLUTION 8**

"THAT, subject to the Act, the Constitution of the Company, the Listing Requirements and the approval of such relevant government and/or regulatory authorities where necessary, the Company be and is hereby authorised to purchase such number of ordinary shares of the Company ("Proposed Renewal of Share Buy-Back Authority") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

(a) the aggregate number of shares purchased or held does not exceed ten percent (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase;

(b) the maximum fund to be allocated by the Company for the purpose of purchasing such number of ordinary shares shall not exceed the retained profits of the Company. As at the financial year ended 31 March 2026, the audited retained profits of the Company stood at RM1,677,000;

(c) the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and will continue to be in force until:

  (i) at the conclusion of the next AGM of the Company following the general meeting in which the authorisation is obtained, at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions; or

  (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or

  (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

  whichever occurs first.

AND THAT upon completion of the purchase(s) of the ordinary shares of the Company, the Directors of the Company be and are hereby authorised to deal with the ordinary shares so purchased in the following manner:

(a) to cancel the ordinary shares so purchase; or

(b) to retain the ordinary shares so purchased as treasury shares for distribution as dividend to shareholders and/or resell on Bursa Securities or subsequently cancelled; or

(c) to retain part of the ordinary shares so purchased as treasury shares and cancel the remainder; or

(d) in any other manner prescribed by the Act, rules, regulations and orders made to the Act, the Listing Requirements and any other relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the aforesaid share buy-back with full powers to assent to any conditions, modifications, variations, and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company."

9. **PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY** **SPECIAL RESOLUTION**

"THAT the Proposed Amendments to the Constitution of the Company as set out in "Appendix A" on pages 153 to 157 of the Annual Report 2026, be approved and adopted with immediate effect AND THAT the Directors and/or Secretary of the Company be authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the said proposed amendments for and on behalf of the Company."

10. To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD
SIEW SUET WEI (MAICSA 7011254)
SSM Practicing Certificate No. 202008001690
Company Secretary

Petaling Jaya
Date: 31 July 2026

NOTES:

1. In respect of deposited securities, only members whose names appear on the Record of Depositors as of 19 August 2026 shall be entitled to attend the 9th AGM or appoint proxy(ies) to attend, speak and vote on his/her behalf.
2. A member entitled to attend and vote at the 9th AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, speak and vote in his place. A proxy may but need not be a member of the Company.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member is an exempt authorised nominee, it may appoint multiple proxies for each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney so authorised.
6. The duly completed and executed Proxy Form must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, at the drop-in box provided at G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or in electronic form via the Vistra Share Registry and IPO (MY) portal at https://srmy.vistra.com, not less than 48 hours before the time stipulated for holding the meeting or any adjournment thereof.
7. The lodging of the Proxy Form will not preclude you from attending, participating and voting in person at the 9th AGM should you subsequently wish to do so, but if you do, your proxy(ies) shall be precluded from attending the 9th AGM. Please refer to the Administrative Guide for details of the submission of the Proxy Form.
8. Pursuant to Paragraph 8.29A(1) of the Listing Requirements, voting at the 9th AGM of the Company will be conducted by poll. Poll administrator and independent scrutineers will be appointed respectively to conduct the polling/e-voting process and to verify the results of the poll.
9. The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us your personal data, which may include your name and mailing address, you hereby consent, agree and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement, and authorisation of all persons whose personal data you have disclosed and/or processed in connection with the foregoing.

EXPLANATORY NOTES

1. **Audited Financial Statements for the financial year ended 31 March 2026**

   This Agenda is meant for discussion only as under the provisions of Section 340(1)(a) of the Companies Act 2016, the audited financial statements do not require the approval of the shareholders. As such, this matter will not be put forward for voting.

2. **Ordinary Resolution 1 and 2: Payment of Directors' Fees and Benefits**

   Pursuant to Section 230(1) of the Companies Act 2016, the shareholders' approval is sought for the proposed payment of Directors' Fees for financial year ended 31 March 2026 and Benefits to the Non-Executive Directors ("NEDs") for the period from 28 August 2026 until the conclusion of the next AGM of the Company. The calculation of the benefits which include meeting allowance is based on the estimated number of scheduled and/or special Board and Board Committees' meetings and on the assumption that the number of NEDs in office until the next AGM remains the same.

3. **Ordinary Resolution 3 and 4: Re-election of Directors**

   Article 18.2 of the Company's Constitution provides that an election of Directors shall take place each year at the AGM of the Company where one third (1/3) of the Directors for the time being or if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) shall retire from office and be eligible for re-election. PROVIDED ALWAYS THAT all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. Hence, two (2) out of seven (7) Directors are to retire in accordance with Article 18.2 of the Constitution.

   Mr. Tan Kim Seng and Ms. Lee Yee Ling ("Retiring Directors") are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election and abstained from deliberation as well as decision on their own eligibility to stand for re-election at the forthcoming 9th AGM.

   To determine the eligibility of the Retiring Directors to stand for re-election at the forthcoming 9th AGM and in line with Practice 5.1 of the Malaysian Code on Corporate Governance, the Nominating and Remuneration Committee ("NRC") has reviewed and assessed each of the Retiring Directors from the annual assessment and evaluation of the Board, Board Committees and Independent Directors for the financial year ended 31 March 2026. The NRC had recommended for the Retiring Directors to be re-elected based on the following:

   (i) satisfactory performance and have met Board's expectation in discharging their duties and responsibilities;
   (ii) met the fit and proper criteria in discharging their roles as Directors of the Company;
   (iii) level of independence demonstrated by the Independent Director; and
   (iv) their ability to act in the best interest of the Company in decision-making.

   The Board approved the NRC's recommendation for the re-election of the Retiring Directors pursuant to Article 18.2 of the Company's Constitution at the forthcoming 9th AGM of the Company.

4. **Ordinary Resolution 5: Re-appointment of Auditors**

   The Board and Audit and Risk Management Committee had at their respective meetings on 27 July 2026 recommended the re-appointment of Messrs Crowe Malaysia PLT for the financial year ending 31 March 2027. Messrs Crowe Malaysia PLT have met the criteria prescribed under the Paragraph 15.21 of the Listing Requirements and indicated their willingness to continue their services for the next financial year.

5. **Ordinary Resolution 6: Authority under Sections 75 And 76 of the Act**

The proposed Resolution 6 is intended to renew the authority granted to the Directors of the Company at the 8th AGM of the Company held on 29 August 2025 to allot and issue shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being.

The authority to issue shares granted by the members at the previous 8th AGM of the Company had not been utilised and hence, no proceeds were raised therefrom. This mandate grants the Company the flexibility to issue new securities without convening a separate general meeting for shareholders' approval, thereby saving time and avoiding additional costs. The purpose of this general mandate is for any possible fundraising activities, including but not limited to further placing of shares for the purpose of funding current and/or future project(s), working capital, acquisitions, investments and/or for issuance of shares as a form of settlement of purchase consideration or such other applications as the Directors may deem fit and expedient in the best interest of the Company.

At this juncture, there is no decision to issue new shares, but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make an announcement in respect thereof.

6. **Ordinary Resolution 7: Proposed Renewal of Shareholders' Mandate For Recurrent Related Party Transactions of a Revenue or Trading Nature**

The proposed Ordinary Resolution 7, if passed, will renew the authority for the Group to enter into recurrent related party transactions of a revenue or trading nature set out in Section 2.6 of the Circular to Shareholders dated 31 July 2026 which are necessary for the day-to-day operations. This authority shall lapse at the conclusion of the next AGM unless authority for its renewal is obtained from shareholders of the Company at the next general meeting. Please refer to the Circular to Shareholders dated 31 July 2026 accompanying the Annual Report 2026.

7. **Ordinary Resolution 8: Proposed Renewal of Share Buy-Back Authority**

This Ordinary Resolution will empower the Directors of the Company to purchase the Company's shares up to ten percent (10%) of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the total retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company. Further information on the proposed share buy-back is set out in the Share Buy-Back Statement dated 31 July 2026.

8. **Special Resolution: Proposed Amendments to the Constitution of the Company**

The Proposed Amendments are mainly to ensure compliance with the relevant regulatory requirements as well as to enhance administrative efficiency.

The Proposed Amendments shall take effect once the Special Resolution has been passed by a majority of not less than seventy-five percent (75%) of such members who are entitled to vote and do vote in person or by proxy at the Meeting.

Statement Accompanying Notice of the 9th Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities")

1. Details of individual who are standing for election as Directors (excluding Directors standing for re-election)

There is no individual who is seeking election as Director at the 9th AGM of the Company.

The profiles of the Directors who are standing for re-election as per Ordinary Resolutions 3 to 4 of the Notice of the 9th AGM are stated in the section on the Profile of Directors in the Annual Report 2026.

2. General mandate for issue of securities in accordance with Paragraph 6.03(3) of the Listing Requirements of Bursa Securities

The Company will seek shareholders' approval on the general meeting for issue of securities in accordance with Paragraph 6.03(3) of the Listing Requirements. Please refer to the Proposed Ordinary Resolution 6 as stated in the Notice of the 9th AGM of the Company for details.

Notice of Annual General Meeting (Appendix A)

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

This is the Appendix A referred to in Agenda 9 of the Notice of 9th Annual General Meeting of the Company dated 31 July 2026.

Article	Existing/New	Amended/New
4.3	**Repayment of preference capital** Notwithstanding Article 4.2 hereof, the repayment of preference share capital other than redeemable preference shares or any alteration of preference shareholders' rights shall only be made pursuant to a Special Resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing obtained from the holders of three fourths (3/4) of the preference capital concerned within two (2) months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting.	**Repayment of preference capital** Notwithstanding Article 4.2 hereof, the repayment of preference share capital other than redeemable preference shares or any alteration of preference shareholders' rights shall only be made pursuant to a Special Resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing obtained from the holders of **seventy-five per cent (75%)** of the preference capital concerned within two (2) months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting.
5.1	**Modification of class rights** If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three fourths (3/4) of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting the provisions of this Constitution relating to meetings of Members shall mutatis mutandis apply so that the necessary quorum shall be two (2) persons at least holding or representing by proxy at least one-third (1/3) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such Special Resolution the provisions of Section 292 of the Act shall apply with such adaptations as are necessary.	**Modification of class rights** If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of **seventy-five per cent (75%)** of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting the provisions of this Constitution relating to meetings of Members shall mutatis mutandis apply so that the necessary quorum shall be two (2) persons at least holding or representing by proxy at least one-third (1/3) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such Special Resolution the provisions of Section 292 of the Act shall apply with such adaptations as are necessary.

Article	Existing/New	Amended/New
13.2	**<u>Offer of new shares</u>** Subject to any direction to the contrary that may be given by the Company in a meeting of Members, all new shares or other convertible securities of whatever kind, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of meetings of Members in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered and limiting a time within which the offer, if not accepted shall be deemed to be declined and after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Board may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Board may also dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Board, be conveniently offered under this Article.	**<u>Offer of new shares</u>** Subject to any direction to the contrary that may be given by the Company in a meeting of Members, all new shares or other convertible securities of whatever kind, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of meetings of Members in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered and limiting a time within which the offer, if not accepted shall be deemed to be declined and after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Board may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Board may also dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Board, be conveniently offered under this Article. **For the avoidance of doubt, where the approval of Members is obtained in a general meeting for any issuance of shares or convertible Securities, including approvals obtained for implementation of a scheme that involves a new issuance of shares or other convertible Securities to employees of the Company and its subsidiaries and approval obtained under Sections 75 and 76 of the Act, such approval shall be deemed to be a direction to the contrary given in general meeting which will render the pre-emptive rights above inapplicable.** **In any case and in respect of any issuance of shares or convertible Securities, the pre-emptive rights of Members are strictly as contained in the Constitution and accordingly, the provisions of Section 85 of the Act in respect of pre-emptive rights to new shares, shall not apply and the Company is not required to offer new shares or convertible Securities in proportion to the shareholdings of the existing Members.**

Article	Existing/New	Amended/New
15.4	**Meetings of Members at Two or More Venues** The meeting of Members may be held at more than (1) one venue using any technology or method that enables the Members to participate and to exercise the Members' rights to speak and vote at the meeting.	**Meetings of Members at Two or More Venues** The meeting of Members may be held **by fully virtual or hybrid** at more than (1) one venue using any technology or method that enables the Members to participate and to exercise the Members' rights to speak and vote at the meeting.
15.6	**Business at meetings** Subject always to the provisions of the Act, no business shall be transacted at a meeting of Members except business of which notice has been given in the notice convening the meeting. An annual general meeting shall be held to transact the business in accordance with the Act, which include the sanctioning dividends, the laying of audited financial statements and the reports of the Directors and Auditors, the election of Directors in place of those retiring, the voting of the Directors' fees and benefits, and the appointment and fixing of the remuneration of the Auditors in accordance with the Act. The notice convening a meeting to consider a Special or Ordinary Resolution shall specify the intention to propose the resolution as a Special or Ordinary Resolution, as the case may be.	**Business at meetings** Subject always to the provisions of the Act, no business shall be transacted at a meeting of Members except business of which notice has been given in the notice convening the meeting. **All business shall be special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting with the exception of** the laying of audited financial statements and the reports of the Directors and Auditors, the election of Directors in place of those retiring, the voting of the Directors' fees and benefits, and the appointment and fixing of the remuneration of the Auditors in accordance with the Act. The notice convening a meeting to consider a Special or Ordinary Resolution shall specify the intention to propose the resolution as a Special or Ordinary Resolution, as the case may be.
17.3	**Delivery of instrument appointing proxies** The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a copy of that power or authority, certified by an advocate and solicitor or where the Member is a body corporate, the copy of the power or authority may also be certified by an authorised officer of that Member, shall be deposited at the Office or at such other place as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.	**Delivery of instrument appointing proxies** The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a copy of that power or authority, certified by an advocate and solicitor or where the Member is a body corporate, the copy of the power or authority may also be certified by an authorised officer of that Member, shall be deposited at the Office or at such other place **within Malaysia or by way of electronic means or in such other manner** as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid **or in such other period(s) as may be provided or permitted under the Applicable Laws and stipulated in the form of proxy or in the notice of meetings.**

Article	Existing/New	Amended/New
18.1	**<u>Number of Directors</u>** Until otherwise determined by a meeting of Members, the number of Directors shall not be less than two (2) or more than eleven (11). The first Directors of the Company were Ms Lee San Koon and Pn Nor Suhana binti Zakaria.	**<u>Number of Directors</u>** Until otherwise determined by a meeting of Members, the number of Directors shall not be less than two (2). The first Directors of the Company were Ms Lee San Koon and Pn Nor Suhana binti Zakaria.
22.1	**<u>Meeting of Directors</u>** The Third Schedule of the Act does not apply to the Company. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. A Director may at any time and the Secretary shall on his requisition summon a meeting of the Directors. Directors may participate in a meeting of the Directors by means of a conference telephone or similar electronic telecommunication device by means of which all persons participating in the meeting can hear each other and participate throughout the duration of the communication between the Directors and participation in a meeting pursuant to this Article shall constitute presence in person at such meeting.	**<u>Meeting of Directors</u>** The Third Schedule of the Act does not apply to the Company. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. A Director may at any time and the Secretary shall on his requisition summon a meeting of the Directors. Directors **or any invitees** may participate in a meeting of the Directors by means of a conference telephone or similar electronic telecommunication device by means of which all persons participating in the meeting can hear each other and participate throughout the duration of the meeting pursuant to this Article shall constitute presence in person at such meeting.
33.1	**<u>Appointment of Auditors</u>** The Auditors shall be appointed for each financial year by Ordinary Resolution at the annual general meeting of the Company in accordance with Section 271 of the Act.	**<u>Appointment of Auditors</u>** The Auditors shall be appointed for each financial year in accordance with Section 271 of the Act.
25.5	New provision	**<u>Participation at Meeting of committees by way of telephone and video conference</u>** **The committee meetings may be held by fully virtual or hybrid at more than one (1) venue using any technology or method. A committee member or any invitees may participate in a meeting of the committees by means of a conference telephone or similar electronic telecommunication device by means of which all persons participating in the meeting can hear each other and participate throughout the duration of the meeting and participation in a meeting pursuant to this Article shall constitute presence in person at such meeting.**

Article	Existing/New	Amended/New
27.2	New provision	**<u>Validity of Electronic / Digital Signature</u>** **For the avoidance of doubt, any document or instrument transmitted by any technology purporting to include a signature and/or electronic or digital signature of any of the following persons:** **(a) a holder of Shares;** **(b) a Director (including Alternate Director);** **(c) a committee member;** **(d) in the case of a corporation, which is a holder of shares, its director or secretary or a duly appointed attorney or duly authorised representative, shall in the absence of express evidence to the contrary available to the person relying on such document or instrument at the relevant time, be deemed to be a document or instrument signed by such person in the terms in which it is received.**

Administrative Guide for the 9th Annual General Meeting

Date	:	Friday, 28 August 2026
Time	:	10.00 a.m.
Venue	:	Maharani Hall, 1st Floor, Impiana Hotel Senai, Jalan Impian Senai Utama 2, Taman Impian Senai, 81400 Senai, Johor

1. REGISTRATION AT THE 9th ANNUAL GENERAL MEETING ("AGM")

a) Registration will commence at 9.00 a.m. and will end at a time as directed by the Chairman of the Meeting.
b) Kindly present your original MyKad or passport (for Non-Malaysian) to the registration personnel at the registration counter for verification.
c) Upon verification, you are required to sign the Attendance List and will be given a wristband for entry to the meeting venue. There will be no replacement of wristband in the event you lose or misplace the wristband.
d) Registration on behalf of another person even with his/her original MyKad or passport is strictly NOT ALLOWED.
e) If you are attending the AGM as shareholder as well as proxy, you will be registered once and will only be given one wristband.

2. ELIGIBILITY TO ATTEND BASED ON THE RECORD OF DEPOSITORS

Only a shareholder whose name appears on the Record of Depositors as at 19 August 2026 shall be entitled to attend or appoint proxy(ies) to attend and/or vote on his/her behalf.

3. APPOINTMENT OF PROXY

Proxy Form and/or documents relating to the appointment of proxy/corporate representative/attorney for the 9th AGM whether in hardcopy or by electronic means shall be deposited or submitted in the following manner not later than Wednesday, 26 August 2026 at 10.00 a.m.:

a) In hard copy form:
In the case of an appointment made in hard copy form, this Proxy Form must be deposited at the Share Registrar's office at Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

b) By electronic means:
The Proxy Form can be lodged electronically via the Vistra Share Registry and IPO (MY) portal (the "Portal") at https://srmy.vistra.com and the steps to submit are summarised as follows:-

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User at the Portal	• Visit the website at https://srmy.vistra.com. • Click "Register" and select "**Individual Holder**", then complete the New User Registration Form. • For guidance, you may refer to the tutorial guide available on the homepage. • Once registration is completed, you will receive an email notification to verify your registered email address. • After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved. • Upon receiving the confirmation email, activate your account by creating a password. *(If you are an existing user with the Portal or had registered with TIIH Online portal previously, you are not required to register again.)*

Procedure	Action
Proceed with submission of Proxy Form	• After the release of the Notice of Meeting by the Company, login to the Portal with your email address and password. • Select the corporate event: "**SDS GROUP BERHAD 9TH AGM**". • Navigate to the 3 dots at the end of the corporate event and choose "**SUBMISSION OF PROXY FORM**". • Read and agree to the Terms and Conditions and confirm the Declaration. • Indicate the total number of shares assigned to your proxy(ies) to vote on your behalf. • Appoint your proxy/proxies and insert the required details of your proxy/proxies or appoint the Chairman of the meeting as your proxy. • Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. • Print the Proxy Form for your record.
ii. Steps for Corporation or Institutional Shareholders	
Register as a User at the Portal	• Visit the website at https://srmy.vistra.com. • Click "Register" and select "**Representative of Corporate Holder**", then complete the New User Registration Form. • Complete the registration form with your personal details and upload the required documents. • Once registration is completed, you will receive an email notification to verify your registered email address. • After verification, your registration will be reviewed and approved within two (2) working days. A confirmation email will be sent once approved. • Upon receiving the confirmation email, activate your account by creating a password. *Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.*
Proceed with submission of Proxy Form	• Login to the Portal with your email address and password. • Select the corporate event: "**SDS GROUP BERHAD 9TH AGM**" • Navigate to the icon ">" at the end of the corporate event. • Read and agree to the Terms and Conditions and confirm the Declaration. • Select the corporate holder's name. • Proceed to download the submission file. • Prepare the file for the appointment of proxy(ies) by inserting the required data. • Proceed to upload the duly completed proxy appointment file. • Select "Confirm" to complete your submission. • Print the confirmation report of your submission for your record.

Administrative Guide for the 9th Annual General Meeting

4. PARKING

Vehicles may be parked at the designated location at your convenience. Please be advised that the parking fees are to be borne by the individual parking the vehicle.

5. DOOR GIFTS

Light refreshments will be provided.

6. MOBILE DEVICES

Kindly ensure that all mobile devices, including phones, tablets, and other sound-emitting devices, are either switched off or set to silent mode during the AGM to ensure smooth and uninterrupted proceedings.

7. VOTING PROCEDURE

a) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions as set out in the Notice of AGM will be put to vote by poll.
b) The polling processes will be managed by the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. as Poll Administrator, and Scrutineers Solutions Sdn. Bhd. as independent scrutineers appointed to verify and validate the results of the poll at the AGM.

8. ENQUIRY

For enquiries relating to the AGM, please contact our Company Secretary during office hours (9:00 a.m. to 5:00 p.m.) on Mondays to Fridays (except public holidays) at +603-7727 0033.

S.D.S
SINCE 1987

Proxy Form

SDS GROUP BERHAD
Registration No. 201701026951 (1241117-T)
(Incorporated in Malaysia)

No. of shares held	
CDS account no.	

I/We ____
(Full Name in Block Letters and NRIC No./Passport No./Registration No.)

of ____
(Address)

being a member of **SDS GROUP BERHAD**, hereby appoint:

PROXY 1

Full name (in Block Letters)	NRIC / Passport No.*	Proportion of shareholdings	
		No. of shares	**%**
Full Address			
Email Address		**Contact No.**	

and/or (delete as appropriate)

PROXY 2

Full name (in Block Letters)	NRIC / Passport No.*	Proportion of shareholdings	
		No. of shares	**%**
Full Address			
Email Address		**Contact No.**	

or failing him/her, the CHAIRMAN OF THE MEETING, as *my/our proxy, to vote for *me/us and on *my/our behalf at the 9th Annual General Meeting ("AGM") of the Company to be held at Maharani Hall, 1st Floor, Impiana Hotel Senai, Jalan Impian Senai Utama 2, Taman Impian Senai, 81400 Senai, Johor on **Friday, 28 August 2026 at 10.00 a.m.** and, at every adjournment thereof *for/against the resolutions to be proposed thereat.

Please indicate with a cross (X) in the space whether you wish your votes to be cast for or against the resolution. In the absence of such specific directions, your proxy will vote or abstain as he/she thinks fit.

		PROXY 1		PROXY 2	
		For	Against	For	Against
ORDINARY RESOLUTION 1	To approve the payment of Directors' Fees for the financial year ended 31 March 2026.				
ORDINARY RESOLUTION 2	To approve the payment of Directors' Benefit up to an amount of RM25,000 for the period from the conclusion of the 9th AGM of the Company scheduled on 28 August 2026 until the date of the 10th AGM of the Company.				
ORDINARY RESOLUTION 3	To re-elect Mr. Tan Kim Seng who retires in accordance with Article 18.2 of the Company's Constitution.				
ORDINARY RESOLUTION 4	To re-elect Ms. Lee Yee Ling who retires in accordance with Article 18.2 of the Company's Constitution.				
ORDINARY RESOLUTION 5	To re-appoint Messrs Crowe Malaysia PLT as Auditors and to authorise the Directors to fix their remuneration.				
ORDINARY RESOLUTION 6	Authority under Sections 75 and 76 of the Companies Act 2016.				
ORDINARY RESOLUTION 7	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.				
ORDINARY RESOLUTION 8	Proposed Renewal of Share Buy-Back Authority.				
SPECIAL RESOLUTION	Proposed Amendments to the Constitution of the Company.				

Dated this ________ day of ________________ 2026

____
Signature(s)/Common Seal of Member

NOTES: -

1. In respect of deposited securities, only members whose names appear on the Record of Depositors as of 19 August 2026 shall be entitled to attend the 9th AGM or appoint proxy(ies) to attend, speak and vote on his/her behalf.
2. A member entitled to attend and vote at the 9th AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, speak and vote in his place. A proxy may but need not be a member of the Company.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member is an exempt authorised nominee, it may appoint multiple proxies for each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney so authorised.
6. The duly completed and executed Proxy Form must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, at the drop-in box provided at G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or in electronic form via the Vistra Share Registry and IPO (MY) portal at https://srmy.vistra.com, not less than 48 hours before the time stipulated for holding the meeting or any adjournment thereof.
7. The lodging of the Proxy Form will not preclude you from attending, participating and voting in person at the 9th AGM should you subsequently wish to do so, but if you do, your proxy(ies) shall be precluded from attending the 9th AGM.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the 9th AGM of the Company will be conducted by poll. Poll administrator and Independent Scrutineers will be appointed respectively to conduct the polling/e-voting process and to verify the results of the poll.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of 9th AGM dated 31 July 2026.

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"NINTH ANNUAL GENERAL MEETING"

AFFIX
STAMP

The Share Registrar of
SDS GROUP BERHAD Registration No. 201701026951 (1241117-T)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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S.D.S

SINCE 1987

SDS Group Berhad

201701026951 (1241117-T)

Our subsidiaries:

Top Baker

Daily's

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Kawasan Perusahaan Ringan Pulai,
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