



HARRISONS HOLDINGS (MALAYSIA) BERHAD

Registration No. 199001003108 (194675-H)

Established in Malaysia since 1918



2025 ANNUAL REPORT

www.harrisons.com.my

HIGHLIGHTS OF THE GROUP'S FINANCIAL INFORMATION FOR THE PAST 5 FINANCIAL YEARS

	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Turnover	1,931,481	2,174,115	2,257,077	2,173,942	2,215,902
Gross Profit	216,781	254,151	263,527	243,656	252,805
Gross Profit margin (%)	11.22%	11.69%	11.68%	11.21%	11.41%
Profit Before Taxation	58,633	89,877	89,517	60,013	57,032
Taxation	14,157	21,896	20,719	16,127	13,892
Profit After Taxation	44,476	67,981	68,798	43,886	43,140

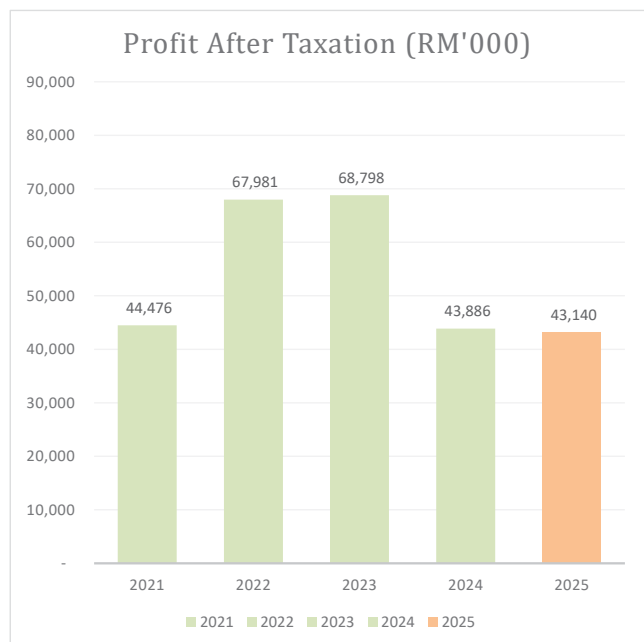
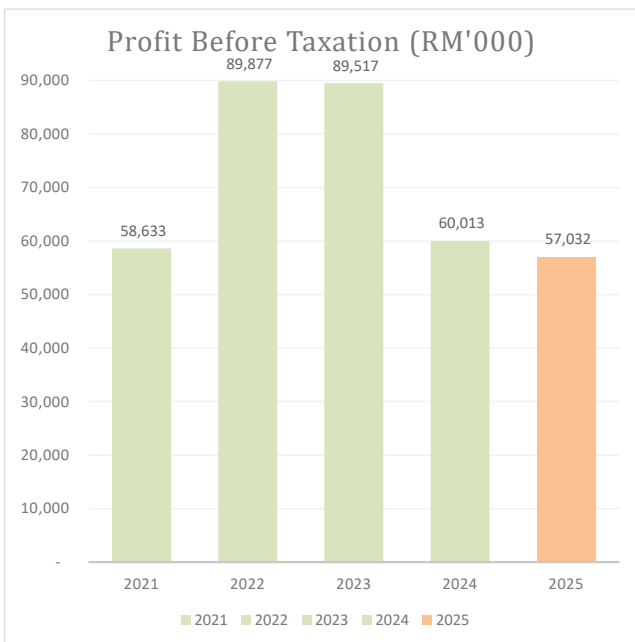
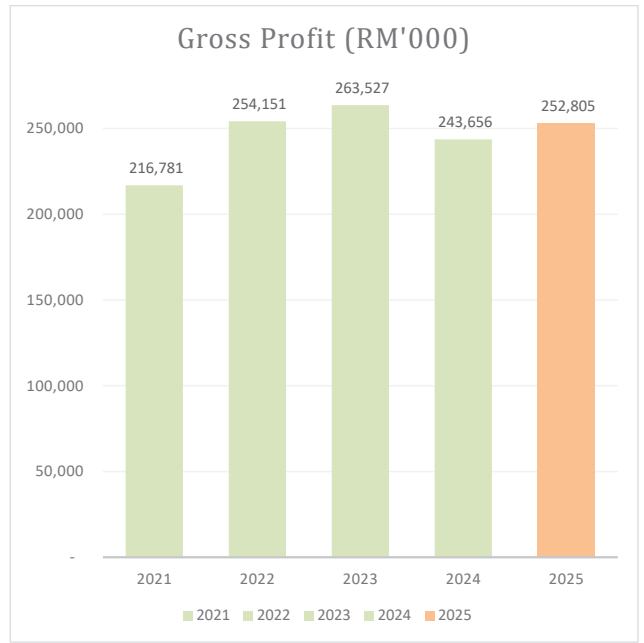
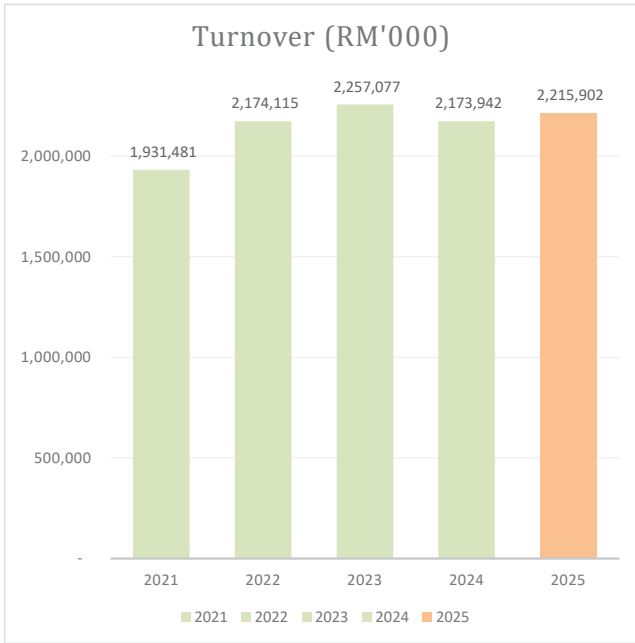


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CORPORATE INFORMATION

BOARD OF DIRECTORS

Wong Yoke Kong
(Non-Independent Non-Executive Chairman)
[Redesignated on 20 June 2025]
Chang Kon Sang
(Executive Director cum Chief Executive Officer)
(CEO)
Chen Ying Zhong, Freddy
(Non-Independent Non-Executive Director)
[Appointed on 22 September 2025]
Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto)
(Non-Independent Non-Executive Director)
Felix Leong
(Senior Independent Non-Executive Director)
Datuk Lim Tong Lee
(Independent Non-Executive Director)
Pandjijono Adijanto
[Retired on 20 June 2025]

AUDIT COMMITTEE

Felix Leong - Chairman
Wong Yoke Kong
Datuk Lim Tong Lee

RISK MANAGEMENT & SUSTAINABILITY COMMITTEE

Datuk Lim Tong Lee - Chairman
Wong Yoke Kong
Felix Leong

NOMINATION COMMITTEE

Felix Leong - Chairman
Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto)
[Appointed on 20 June 2025]
Datuk Lim Tong Lee
Pandjijono Adijanto
[Ceased office on 20 June 2025]

REMUNERATION COMMITTEE

Chen Ying Zhong, Freddy – Chairman *[Appointed as Chairman on 22 September 2025]*
Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto)
[Appointed as Chairman on 20 June 2025 and ceased office on 22 September 2025]
Felix Leong
Datuk Lim Tong Lee
Pandjijono Adijanto
[Ceased office as Chairman on 20 June 2025]

STOCK EXCHANGE

Main Market of Bursa Malaysia Securities Berhad
Stock Code : 5008
Sector : Consumer Products & Services

SECRETARIES

Low Kong Choon *(MAICSA 0818548)*
(SSM PC No. 202308000611)
Tan Bee Hwa *(MAICSA 7058049)*
(SSM PC No. 202008001174)
Qwik Tsae Yng *(MAICSA 7053568)*
(SSM PC No. 202308000539)

SHARE REGISTRAR

Sectrars Management Sdn. Bhd.
Lot 9-7, Menara Sentral Vista
No. 150, Jalan Sultan Abdul Samad
Brickfields
50470 Kuala Lumpur
Tel: +603-2276 6138/ 6139/ 6130
Fax: +603-2276 6131

AUDITORS

PricewaterhouseCoopers PLT
(LLP0014401-LCA & AF1146)
Level 10, Menara TH 1 Sentral
Jalan Rakyat, Kuala Lumpur Sentral
50706 Kuala Lumpur

Tel: +603-2173 1188
Fax: +603-2173 1288

SOLICITORS

Messrs Nazri Aziz & Wong
Messrs Mah-Kamariah & Philip Koh

PRINCIPAL BANKERS

RHB Bank Berhad
Hong Leong Bank Berhad
Affin Bank Berhad
United Overseas Bank Berhad

REGISTERED OFFICE

Level 13, Menara 1 Sentrum
No. 201 Jalan Tun Sambanthan
Brickfields, 50470 Kuala Lumpur
Tel: +603-2382 4288
Fax: +603-2382 4170

Email: tmfkl-cosec@tmf-group.com

CORPORATE OFFICE

Unit 9A, 9th Floor, Wisma Bumi Raya
10, Jalan Raja Laut
50350 Kuala Lumpur
Tel: +603-2698 3733
Fax: +603-2698 8733
Email : general@harrisons.com.my
Website: www.harrisons.com.my



DIRECTORS' PROFILE

MR WONG YOKE KONG

(Non-Independent Non-Executive Director)

Mr Wong Yoke Kong, Male, 71 years of age, a Malaysian, was appointed as a Non-Independent Non-Executive Director of the Company on 15 February 1994. He was re-designated as an Independent Non-Executive Director on 12 May 2008 and as a Non-Independent Non-Executive Director of the Company on 31 May 2023. He graduated with Bachelor of Arts (Law) Degree from Manchester Polytechnic, United Kingdom in year 1977 and was admitted as a barrister by Honourable Society of Gray's Inn, London in year 1978. He began his career in year 1979 as a legal assistant with Messrs. Sidek Sulaiman Sya. Since year 1982, he has been practicing as a founder partner of Messrs. Nazri Aziz & Wong, a Kuala Lumpur-based law firm. He is a member of the Audit Committee and the Risk Management & Sustainability Committee.

MR CHANG KON SANG

(Executive Director cum Chief Executive Officer ["CEO"])

Mr Chang Kon Sang, Male, 74 years of age, a Malaysian, was appointed as Executive Director cum Acting CEO of the Company on 5 August 2019 and later confirmed as Executive Director cum CEO on 5 February 2020. He was the Managing Director of Harrisons Sabah Sdn. Bhd. from 1997 to 2019. Before that, he was appointed as Associate Director (Finance) on 1 October 1987 and later as the Finance Director on 1 October 1989. Mr Chang is a Fellow of the Institute of Chartered Accountant of England and Wales and a Registered Chartered Accountant of the Malaysian Institute of Accountants. He has served Harrisons Sabah Sdn. Bhd. since May 1980. Before his appointment as the Associate Director, he had held the positions of Senior Accountant and Chief Accountant/Company Secretary.

MR CHEN YING ZHONG, FREDDY

(Non-Independent Non-Executive Director)

Mr Chen Ying Zhong, Freddy, Male, 45 years of age, a Singaporean, was appointed as a Non-Independent Non-Executive Director of the Company on 22 September 2025. He holds an Executive MBA from Nanyang Technological University (NTU), Singapore. He has completed executive programmes at INSEAD, UC Berkeley and Tsinghua University. He began his career with the Bumi Raya Group and has since built extensive experience across various roles, with a strong track record of driving business innovation and growth. He is currently an Executive Director of Valore Ventures Pte. Ltd., a wholly owned subsidiary of the Company since 7 August 2025.

MS TAN PHWE LENG (TAN PHE LIN @ MARIANA ADIJANTO)

(Non-Independent Non-Executive Director)

Ms Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto), Female, 67 years of age, a Singaporean, was appointed as a Non-Independent Non-Executive Director of the Company on 2 September 1993. She holds a Bachelor of Science (Honours) Degree from the University of Aston in Birmingham, United Kingdom, majoring in Pharmacy. Upon graduation in year 1981, she worked in various British hospitals and later worked in Cold Storage Pte. Ltd. from years 1982 to 1984. She joined Bumi Raya Group in Singapore in year 1984 and later in Hong Kong in year 1986. She has substantial management experience in the distribution and retail sector, which was accumulated throughout her years with Cold Storage Pte. Ltd. and Bumi Raya Group.



DIRECTORS' PROFILE (CONT'D)

DATUK LIM TONG LEE

(Independent Non-Executive Director)

Datuk Lim Tong Lee, Male, 58 years of age, a Malaysian, was appointed as an Independent Non-Executive Director of the Company on 11 April 2023. He is a Fellow Member of the Association of Chartered Certified Accountants, the United Kingdom, a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. He began his career in 1990 as an Auditor with Ernst & Young. He left Ernst & Young in 1995 and joined AmInvestment Bank Bhd as an Executive in its Corporate Finance division. In 1997, he joined a property development company as General Manager of Corporate Finance. He rejoined AmInvestment Bank Bhd in 1999 as Manager of Corporate Finance. In 2007, he was posted by AmInvestment Bank Bhd to AmFraser Securities Pte Ltd in Singapore as the Director/Head of Corporate Finance. In 2013, he left AmFraser Securities Pte Ltd and joined AmWater Investments Management Pte. Ltd. Singapore, as the Chief Investment Officer and was responsible for private equity investments in water projects in North Asia. He left Amwater Investments Management Pte Ltd in 2014 and joined Venstar Capital Management Pte Ltd in Singapore as a Senior Vice President being involved in private equity investments. He left the company and joined KGI Securities Pte Ltd in 2015 as Head of Corporate Finance until 2017.

He is an Independent Non-Executive Director of Nam Cheong Limited and JB Foods Limited, both listed on the Mainboard of Singapore Stock Exchange ("SGX"). He is the Chairman of the Risk Management & Sustainability Committee, and also a member of the Audit Committee, the Nomination Committee and the Remuneration Committee.

MR FELIX LEONG

(Senior Independent Non-Executive Director)

Mr Felix Leong, Male, 64 years of age, a Malaysian, was appointed as an Independent Non-Executive Director of the Company on 22 June 2022 and was identified as Senior Independent Non-Executive Director on 26 August 2022. He graduated with a Bachelor of Arts degree in Economics and Administrative Studies from The University of Winnipeg, Manitoba, Canada in year 1985. He began his career as an accounts officer in an industrial insulation company in year 1986, and later worked in several companies before joining the AmBank Group in year 1995 where he worked for more than 25 years in the Labuan banking industry. He had held the position of Head/Principal Officer of AmBank (M) Bhd, Labuan Offshore Branch, since year 2014 until his retirement in early 2022. He currently manages several offshore trading companies in Labuan. He is the Chairman of the Audit Committee and the Nomination Committee, and a member of the Remuneration Committee and the Risk Management & Sustainability Committee.

Notes to the Directors' Profile:

Family Relationship with any Director and/or Major Shareholder

Save for Ms Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto) and Mr Chen Ying Zhong, Freddy who are aunt and nephew, none of the Directors have any family relationship with any other Director and/or Major Shareholder of the Company.

List of Conviction for offences within the past 5 years

None of the Directors have been convicted for any offences (other than traffic offences) within the past 5 years. There were no public sanction or penalty imposed by the regulatory bodies during the financial year.

Conflict of Interest with the Company

None of the Directors have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries (other than as disclosed in the item 29(c) of Notes to the Financial Statements)



DIRECTORS' PROFILE (CONT'D)

Attendance at Board Meetings

The details of attendance of the Directors at the Board Meetings during the financial year are set out on page 49 of this Annual Report.

Directors' Shareholdings

The details of Directors' shareholdings are set out in the Analysis of Shareholdings on page 154 of this Annual Report.

Directorship in other public companies

None of the Directors hold any other directorships in any public companies and listed issuers in Malaysia.

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KEY SENIOR MANAGEMENT'S PROFILE

MR CHANG KON SANG

(CEO)

The profile of Mr Chang Kon Sang is disclosed in page 3 of the Annual Report.

MR LIM HONG CHIN

(Chief Operating Officer and Managing Director of Harrisons Sarawak Sdn. Bhd.)

Mr Lim Hong Chin, Male, 71 years of age, a Malaysian was appointed as the Managing Director of Harrisons Sarawak Sdn. Bhd. since 1 October 1990. Mr Lim graduated from University of Warwick, UK with a BA (Honours) in Economics in 1979. Before his appointment as the Managing Director, Mr Lim held various positions in companies within the Harrisons Group, including Branch Manager of Sibu and Miri, Area Sales Manager Sarawak (based in Kuching), and Marketing Manager of Sabah, Sarawak and Brunei Darussalam (based in Kota Kinabalu).

MR LOW KONG CHOON

(Chief Financial Officer/Group Company Secretary)

Mr Low Kong Choon, Male, 67 years of age, a Malaysian was appointed as the Chief Financial Officer/ Group Company Secretary on 5 February 1991. Mr Low is a Fellow of the Australia Society of Certified Practising Accountant, a Chartered Accountant registered under the Malaysian Institute of Accountants and a Fellow of the Institute of Chartered Secretaries and Administrators. Mr Low worked as a financial controller for Bain Securities Ltd, Hong Kong and Bain & Co, Sydney from year 1987 to 1989. Mr Low has been overseeing Harrison's Group's financial, tax and secretarial matters for over 30 years.

MR ANG LIAN WAL

(Managing Director of Harrisons Sabah Sdn. Bhd.)

Mr Ang Lian Wal, Male, 62 years of age, a Malaysian was appointed as the Managing Director of Harrisons Sabah Sdn. Bhd. since 1 October 2019. Before that, he was appointed as the Associate Director on 1 July 2016 and later as the Director on 1 January 2011. Mr Ang graduated from Universiti Utara Malaysia, Kedah, Malaysia with Bachelor Degree in Public Administration (Hons) in 1989. He has served in Harrisons Sabah Sdn. Bhd. since January 1993. Before his appointment as the Managing Director, Mr Ang held various positions in the Company, including Branch Shipping Executive and Shipping Manager of Tawau, East Coast Shipping Manager (based in Tawau), Branch Manager of Tawau, General Sales Manager for Nestle business (based in Head Office, Kota Kinabalu) and General Manager who took charge of overall business for Nestle, shipping, chemical & fertilisers, technical products and travel.

MR TEE CHEE CHIANG

(Managing Director of Harrisons Peninsular Sdn. Bhd.)

Mr Tee Chee Chiang, Male, 60 years of age, a Malaysian was appointed as the Managing Director of Harrisons Peninsular Sdn. Bhd. ("HP") on 1 July 2013. Mr Tee graduated from University Sains Malaysia, majoring in Economics and has been in the building materials supply industry for over 23 years. He joined HP as a Marketing Manager in 1995 and was promoted to the General Manager before his latest appointment. Mr Tee currently oversees the overall business operation of HP's diversified business in the distribution of building materials, agro/industrial chemicals, importers of fine wines and whiskies and also agent of air/sea freight forwarding.



KEY SENIOR MANAGEMENT'S PROFILE (CONT'D)

Notes to Key Senior Management's Profile

- None of the Key Senior Management holds any other directorship in other public companies and listed issuers nor have any family relationship with any Directors and/or major shareholder of the Company.
- None of the Key Senior Management has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/ or its subsidiaries (other than as disclosed in the item 29(c) of Notes to the Financial Statements).
- None of the Key Senior Management has conviction for any offences within the past five (5) years. There was no public sanction or penalty imposed by the relevant regulatory bodies against the Key Senior Management during the financial year.

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CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report of Harrisons Holdings (Malaysia) Berhad ("Harrisons") and its Group of Companies ("Group") for the financial year ended 31 December 2025.

FINANCIAL PERFORMANCE

Malaysia's economy demonstrated resilience, supported by strong domestic demand with the country recording Gross Domestic Product ("GDP") growth of 5.2% and mild inflation averaging 1.4% in 2025. These economic conditions provided support for businesses in Malaysia despite global uncertainties.

The Group Revenue for financial year ended 2025 increased slightly by RM42 million (1.9%) and Profit After Tax decreased slightly by RM746,000 (1.7%) compared to financial year ended 2024. Details of the performance are explained in the Management Discussion and Analysis section.

DIVIDENDS

The Board has not adopted any dividend policy but has been able to consistently deliver reasonably good dividends over the years. Dividend payments are subject to Group's profitability, long-term plans and cash flow requirements of the Group. The Company proposes to declare a final single-tier dividend of 6.5 sen per ordinary share in respect of the financial year ended 31 December 2025 (2024:6.5 sen).

MOVING FORWARD

Bank Negara Malaysia projects Malaysia economy to grow modestly at a rate of 4.0% to 5.0% in 2026. Barring the impact of the Iran war, the Group remains cautiously optimistic of its performance for financial year ended 2026. If the Iran war is prolonged, it will continue to affect oil prices and hence global and domestic economic activities.

However, Harrisons' long history is defined by its ability to evolve and adapt. We have thrived across many challenges as the same essence will continue to guide us forward.

MANAGING SUSTAINABILITY

Harrisons acknowledges the need to balance economic performance while being mindful of our environment and society. The Group aims to practice good corporate governance as part of its corporate strategies and goals. We remain committed to strengthen and integrate sustainability agendas to manage risks and sustainability to ensure long term value creation for our stakeholders.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to express my deepest gratitude for the vision and mentorship of our Ex-Chairman Mr. Pandjijono Adijanto, who retired on 20 June 2025. The Group has benefited from his wisdom and experience. His unwavering commitment to Harrisons' mission has left an indelible mark on the organisation.

I would also like to express my appreciation to the Management team and all our employees who have worked hard to drive the Group's growth forward. A word of thanks also to our valued customers, shareholders, merchants and business associates for their continuous support. Together, we look forward to a brighter year for Harrisons in 2026.

Thank you.

Wong Yoke Kong
Non-Independent Non-Executive Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

Overview of Business Activities

Harrisons' income is mainly derived from the marketing, sales, warehousing and distribution of Fast-Moving Consumer Goods, Building Materials and Engineering Products, Wines, Industrial and Agricultural Chemicals, beer and the operation of Shipping/Logistics, Travel Agencies and Retailing. These businesses are conducted as follows:

- a. In East Malaysia, Harrisons Sabah Sdn. Bhd. and Harrisons Sarawak Sdn. Bhd. are involved in the marketing, sales, warehousing and distribution of Fast-Moving Consumer Goods, Building Materials, Engineering Products and Industrial and Agricultural Chemicals Products as well as the operation of Shipping and Travel Agencies; and
- b. In Peninsular Malaysia, Harrisons Peninsular Sdn. Bhd. and Harrisons Marketing & Services Sdn. Bhd. are involved in the marketing, sales, warehousing and distribution of Building Materials, Industrial and Agricultural Chemicals, beer and import and distribution of Wines as well as the Freight Forwarding and Shipping.

Presently, Harrisons has over 400 principals, and distributes approximately 13,000 product items to over 15,000 accounts spread all over Malaysia. The Group operates a total network of 27 (13 in Peninsular, 9 in Sabah and 5 in Sarawak) branches and 51 warehouses strategically located throughout Malaysia and is supported by over 2,000 employees.

- c. In Singapore, our subsidiaries The Famous Amos Chocolate Chip Cookie Singapore Pte. Ltd. retails the Famous Amos Cookies and DRN2 Pte. Ltd. retails cakes mainly online. Watts Harrisons Sdn. Bhd. has terminated the Komonoya brand agency in FY2024, and is in the process of winding-up.

Objectives and Strategies

Harrisons' objective is to focus on its core strength of marketing and distribution, and to maintain its position as one of the leading distributors in Malaysia. The Group will continue to expand the sales of the Fast-Moving Consumer Goods and Building Materials by securing new agencies of good quality products and to grow its customer base in East and West Malaysia.

Financial Performance Review

Revenue

	2025 RM'000	2024 RM'000	Changes RM'000	Growth %
Consumer Goods	1,737,639	1,678,334	59,305	3.53
Building Materials	396,258	421,865	(25,607)	(6.07)
Chemical Products	65,788	57,866	7,922	13.69
Commission, Handling Fees and Others	16,217	15,877	340	2.14
	2,215,902	2,173,942	41,960	1.93

Revenue increased by 1.93% from RM2.17 billion in FY2024 to RM2.22 billion in FY2025. The increase is mainly due to the increase in sales of our main agencies for the Fast-Moving Consumer Products Division as sales grew by RM60.30 million (3.68%). Sales on our Building Materials and Engineering Products division however decreased by RM25.61 million (6.07%) mainly due to softening demand for cement in Peninsular during FY2025. The sales of Industrial and Agriculture Chemicals Products increased by RM7.92 million (13.69%) as demand pick up in Sabah during FY2025.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Sales in the Retail Segment decreased by RM1.00 million (2.63%). Sales in Famous Amos cookies dipped in Singapore in FY2025 because there was a huge event order in FY2024.

Revenue for the Shipping and Others increased by RM0.34 million (2.14%) due to higher shipping business activities for FY2025 in Sabah.

Gross Profit

Gross Profit increased from RM243.66 million in FY2024 to RM252.81 million in FY2025 followed the increase in Sales in FY2025. Gross Profit Margin increased from 11.21% in FY2024 to 11.41% in FY2025 due to the reversal of provision for inventory obsolescence in FY2025.

Profit Before Taxation

The Group Profit Before Taxation for FY2025 was RM57.03 million as compared to FY2024 of RM60.01 million. Selling and Distribution costs increase due to incentive trips for sales staff previously, charged to administration expenses and cost of sales are now changed as Selling and Distribution Costs. Administrative expenses increased by RM9.00 million for FY2025 as compared to FY2024 due to yearly increase in wages and governmental imposed increase in minimum wages and additional provision for doubtful debts for FY2025 due to delays in collection of our receivables.

Profit After Taxation

Profit After Taxation decreased from RM43.89 million in FY2024 to RM43.14 million in FY2025, reflecting a decrease of 1.70%.

Segmental information

FY2025

There are 4 main segments within Harrisons Group:

1. Sabah
2. Sarawak
3. Peninsular
4. Others

	Sabah RM'000	Sarawak RM'000	Peninsular RM'000	Others RM'000	Group RM'000	%
<u>31.12.25</u>						
<u>Revenue</u>						
Consumer products	1,033,449	624,866	-	79,324	1,737,639	78.42%
Building materials	24,801	17,998	353,459	-	396,258	17.88%
Chemical Products	44,377	3,030	18,381	-	65,788	2.97%
Commission, handling fees and others	12,823	1,561	-	1,833	16,217	0.73%
	<u>1,115,450</u>	<u>647,455</u>	<u>371,840</u>	<u>81,157</u>	<u>2,215,902</u>	100.00%
<u>Results</u>						
Profit/(Loss) Before Interest and Tax (external)	36,517	26,196	4,368	(3,352)	63,729	
Finance income	1,243	651	544	246	2,684	
Finance costs	(2,123)	(4,173)	(2,528)	(557)	(9,381)	
Profit/(Loss) from ordinary activities before tax	<u>35,637</u>	<u>22,674</u>	<u>2,384</u>	<u>(3,663)</u>	<u>57,032</u>	



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

	Sabah RM'000	Sarawak RM'000	Peninsular RM'000	Others RM'000	Group RM'000	%
31.12.24						
Revenue						
Consumer products	1,027,740	559,481	-	91,113	1,678,334	77.20%
Building materials	23,527	16,762	381,576	-	421,865	19.41%
Chemical Products	37,384	3,041	17,441	-	57,866	2.66%
Commission, handling fees and others	13,308	560	-	2,009	15,877	0.73%
	<u>1,101,959</u>	<u>579,844</u>	<u>399,017</u>	<u>93,122</u>	<u>2,173,942</u>	100.00%
Results						
Profit/(Loss) Before Interest and Tax (external)	41,336	23,074	3,962	(1,238)	67,134	
Finance income	1,205	572	546	473	2,796	
Finance costs	(2,671)	(3,835)	(2,863)	(548)	(9,917)	
Profit/(Loss) from ordinary activities before tax	<u>39,870</u>	<u>19,811</u>	<u>1,645</u>	<u>(1,313)</u>	<u>60,013</u>	

The Sabah and Sarawak Segment comprise mainly of Fast-Moving Consumer Goods, while Peninsular Segment comprise mainly of the Building Materials and Chemical Products businesses. These segments are the major segments of the Group which contributed 99.27% of the Group's revenue. Revenue for Sabah and Sarawak increased by 4.82% as compared to FY2024. Sarawak sales grew strongly by 11.66% resulting in profits increasing by 14.45%.

During FY2025, the sales of Building Materials and Engineering Products contributed RM396.26 million (17.88%) of total revenue decreased by 6.07% as competition intensifies and demand for cement soften in Peninsular in FY2025.

The Others Segment Loss Before Interest and Tax is RM3.35 million for FY2025 as compared to Loss Before Interest and Tax of RM1.24 million in FY2024. The operation expenses for our retail business in Singapore increased due to increase in rental of our retail outlets and yearly wages plus government imposed minimum wages increased. Sales and Profit declined for our Famous Amos cookies in FY2025 as there was a significant event order in FY2024.

Group Cash Flow

The Group Cash Flow showed cash generated from operating activities of RM83.11 million for FY2025. Lesser cash was tied up in inventories and trade and other payables in FY2025 as compared to FY2024.

Group Financial Position

Inventories decreased by RM15.40 million as at 31 December 2025 as compared to as at 31 December 2024. Trade and other receivables increased by RM8.95 million as collection of receivables were slower in FY2025. Bank borrowings were lower by RM11.00 million in FY2025. Net current assets continue to improve by RM16.18 million indicating that the Group is a strong liquidity position to pay off our short-term obligations.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Future Prospects

The key challenges faced by our Fast-Moving Consumer business in FY2026 are rising fuel, labour and warehousing costs. Going forward, we will strategize to mitigate operational cost increases by restructuring our warehousing and delivery operations. We anticipate to operate our newly constructed warehouse in the second half of 2026. We will relocate and centralise our inventory management progressively from the 4 rented warehouses in Kota Kinabalu to this new warehouse. This will improve operational efficiencies of warehouse management and deliveries to our customers.

Margin pressure from principals and big retailers will continue moving forward. We will focus to seek new agencies to grow our diversified portfolios in the Fast-Moving Consumer Goods division. Besides, securing new agencies, we have started to further develop and grow our house brands. We remain confident that our distribution business across Malaysia will continue to grow in the long term.

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SUSTAINABILITY STATEMENT

CORPORATE PROFILE

Harrisons was incorporated in Malaysia under the Companies Act 1965 and deemed registered under the Companies Act 2016 on 9 March 1990 as a private limited company under the name of Jantoco Trading Sdn. Bhd. and assumed its present name on 3 September 1991. It was converted to a public company on 28 April 1992.

Companies within the Group were purchased from Harrisons and Crosfield PLC (a public company listed on the London Stock Exchange), and well known previously in Malaysia particularly for the plantations it operates under Harrisons Malaysia Plantations Berhad. The oldest company in the Group, Harrisons Sabah Sdn. Bhd. (formerly known as Harrisons Trading (Sabah) Sdn. Bhd.) (renamed from Harrisons and Crosfield (Sabah) Sdn. Bhd. subsequent to its purchase from Harrisons and Crosfield PLC), came into being on 1 May 1918, bearing the name Harrisons and Crosfield (Borneo) Ltd.

Harrisons' income is mainly derived from the marketing, sales, warehousing and distribution of Fast-Moving Consumer Goods, Building Materials and Engineering Products, Wines, Industrial and Agricultural Chemicals, beer and the operation of Shipping/Logistics, Travel Agencies and Retailing. These businesses are conducted as follows:

- a. In East Malaysia, Harrisons Sabah Sdn. Bhd. and Harrisons Sarawak Sdn. Bhd. are involved in the marketing, sales, warehousing and distribution of Fast-Moving Consumer Goods, Building Materials, Engineering Products and Industrial and Agricultural Chemicals Products as well as the operation of Shipping and Travel Agencies; and
- b. In Peninsular Malaysia, Harrisons Peninsular Sdn. Bhd. and Harrisons Marketing & Services Sdn. Bhd. are involved in the marketing, sales, warehousing and distribution of Building Materials, Industrial and Agricultural Chemicals, beer and import and distribution of Wines as well as the Freight Forwarding and Shipping.

Presently, Harrisons has over 400 principals, and distributes approximately 13,000 product items to over 15,000 accounts spread all over Malaysia. The Group operates a total network of 27 (13 in Peninsular, 9 in Sabah and 5 in Sarawak) branches and 51 warehouses strategically located throughout Malaysia and is supported by over 2,000 employees.

- c. In Singapore, our subsidiaries The Famous Amos Chocolate Chip Cookie Singapore Pte. Ltd. retails the Famous Amos Cookies and DRN2 Pte. Ltd. retails cakes mainly online. Watts Harrisons Sdn. Bhd. has terminated the Komonoya brand agency during FY2024, and is in the process of winding-up.

About This Report

The Board of Directors of Harrisons Holdings (Malaysia) Berhad ("Harrisons") and its Group of Companies ("Group") is pleased to present our sustainability statement ("Statement") for the financial year ended 31 December 2025. This sustainability report aims to disclose our environmental, social and governance ("ESG") performance on the issues that are considered material to our business model and our stakeholders. The objective of this Sustainability Statement is to provide stakeholders with an understanding of the Group's progress and performance in our sustainability practices and efforts.

As businesses globally face higher expectations from regulators and stakeholders, the Group acknowledges the importance of prioritising sustainability. Harrisons remains committed to drive sustainable growth and meaningfully address ESG impacts across its group of companies to ensure continued business resilience.

The Group takes cognisance on the importance of constantly evolving to stay ahead of the competition in a dynamic market environment. Embracing a progressive mindset will differentiate us from competitors as we seek to grow our revenue and market presence. We stay updated with the changes in customer preferences and trends to adapt to market demands and seize new opportunities. As a responsible business that also places our customers at the heart of what we do, the Group recognises the necessity to meet the sustainability reporting requirements and to fulfil our role in shaping a sustainable sales and distribution sector. The Group will continue to ride the waves of change, guided by visionary leadership and long-term strategies.



SUSTAINABILITY STATEMENT (CONT'D)

Reporting Period and Scope

The scope of this Report covers the sustainability performance and practices across our Group from 1 January 2025 to 31 December 2025, unless otherwise stated. We have relied on internal data and mechanism to ensure the accuracy of information disclosed in this Report. Data from the previous financial years has been included where relevant for meaningful comparisons.

We acknowledge the importance of accurate and reliable data in our reporting. While we endeavor to provide complete and meaningful information, there may be areas where data quality limitations restrict direct comparisons with previous periods. We are committed to improving the quality of our sustainability reporting over time, ensuring transparency and accountability in all aspects.

Reporting Framework

This Sustainability Statement has been prepared in accordance with the guidelines set out in the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) in relation to the Sustainability Statement in Annual Report of Listed Issuers (“Guidelines”) issued by Bursa Securities.

Assurance

We have not obtained external assurance for this sustainability statement but may consider doing so in the future. Data contained within this Report has been sourced internally and has been verified by the respective business units or information owners. Selected data within this Report has been internally assured by the Group’s internal audit function. The data that are internally assured are:

- (a) Total energy consumption; and
- (b) Total volume of water used

Where applicable, the selected indicators validated are indicated across the sections in this Report.

Governance Structure

Harrisons is committed to upholding the highest standard of governance with sound business ethics in our business operations. Our commitment serves to protect our integrity, reputation, and foster trust among our stakeholders. Compliance to regulatory requirements is the foundation of good corporate governance. We ensure adherence to all relevant local laws and regulations. Harrisons is governed by the Board of Directors which oversees the overall sustainability initiatives and sets policies to drive sustainability practices in the Group. This includes ensuring that the business strategy undertaken considers sustainability in determining the Group’s strategic direction.

The Board, via the Risk Management & Sustainability Committee is supported by the Management in overseeing the implementation of sustainability strategy and considers input of all business divisions/department/functions in sustainability processes.

Board of Directors	Oversight of the Group’s business sustainability strategy, performance and to ensure adequate resources, systems and process are in place for managing sustainability matters.
Risk Management & Sustainability Committee	Assist the Board in discharging its duties which includes considering sustainability matters when developing and implementing company strategies, business plans, major plan of actions, risk management and adequate resources, systems and process are in place for managing sustainability matters.
Group Chief Risk Management & Sustainability Officer	Oversee the implementation of the Company’s key strategic sustainability initiatives with support from respective subsidiary’s Chief Risk & Sustainability Officer and assistance by the Group Company Secretary.



SUSTAINABILITY STATEMENT (CONT'D)

Stakeholder Engagement

The Group's success is intrinsically linked to continuous support from its stakeholders. To foster a sustainable and mutually beneficial relationship, the Group actively engages with its stakeholders, seeking to understand their expectations and address any concerns. We recognise that having open and transparent communication with our stakeholders would allow the Group to improve our services and drive the progress towards our sustainability goals.

For FY2025, the Group conducted an informal stakeholder assessment covering both internal and external stakeholders, including employees, key customers and suppliers. We concluded that our primary stakeholders remain the same individuals or groups that have interests that are affected or could be affected by the Group's activities. Details of our key stakeholders and their engagement activities are presented in the stakeholder engagement table below.

Types of Stakeholders	Engagement Methods	Key Areas of Interest	Our Response
Principals	<ul style="list-style-type: none"> Meetings Emails Company Website Marketing Activities Survey 	<ul style="list-style-type: none"> Efficiencies in our operations to serve our principals effectively. Delivery of products within timeline and budget 	<ul style="list-style-type: none"> Provide unrivalled logistics infrastructure and distribution centers Work closely with principals by offering long-term business solutions based on our local expertise and market intelligence
Customers	<ul style="list-style-type: none"> Satisfaction Survey Conventions Roadshows Marketing Materials Store Openings 	<ul style="list-style-type: none"> Efficient delivery of goods Quick response to customer and ensuring customer satisfaction 	<ul style="list-style-type: none"> Provide competitive pricing, sustainable products and services Offer knowledge and market insights
Employees	<ul style="list-style-type: none"> Annual performance review Staff annual dinner Employee events Knowledge-sharing sessions Management meetings 	<ul style="list-style-type: none"> Compensation & Benefits Training and development Employee satisfaction and wellbeing 	<ul style="list-style-type: none"> Upskill employees through learning and development programs Development of leadership roles
Financiers	<ul style="list-style-type: none"> Update of business development Update of group financial performance Visiting key personnel of banks 	<ul style="list-style-type: none"> Results and performance of the Group 	<ul style="list-style-type: none"> Prompt repayment of facility granted Deliver strong profits through solid financial performance.
Government/Regulators	<ul style="list-style-type: none"> Events and seminars Meetings Briefings and trainings Attend Dialogues/ Seminars Organised by Bursa Securities 	<ul style="list-style-type: none"> Compliance with regulations 	<ul style="list-style-type: none"> Implement robust policies and procedures Comply with applicable laws and regulations across our entire operations
Investors	<ul style="list-style-type: none"> Annual General Meeting Company Website Annual Report Quarterly Reports Company Announcements 	<ul style="list-style-type: none"> Timely and transparent Disclosure of results and information 	<ul style="list-style-type: none"> Publish informative annual reports and announcements Engage investors through annual general meeting Deliver strong profits through solid financial performance.



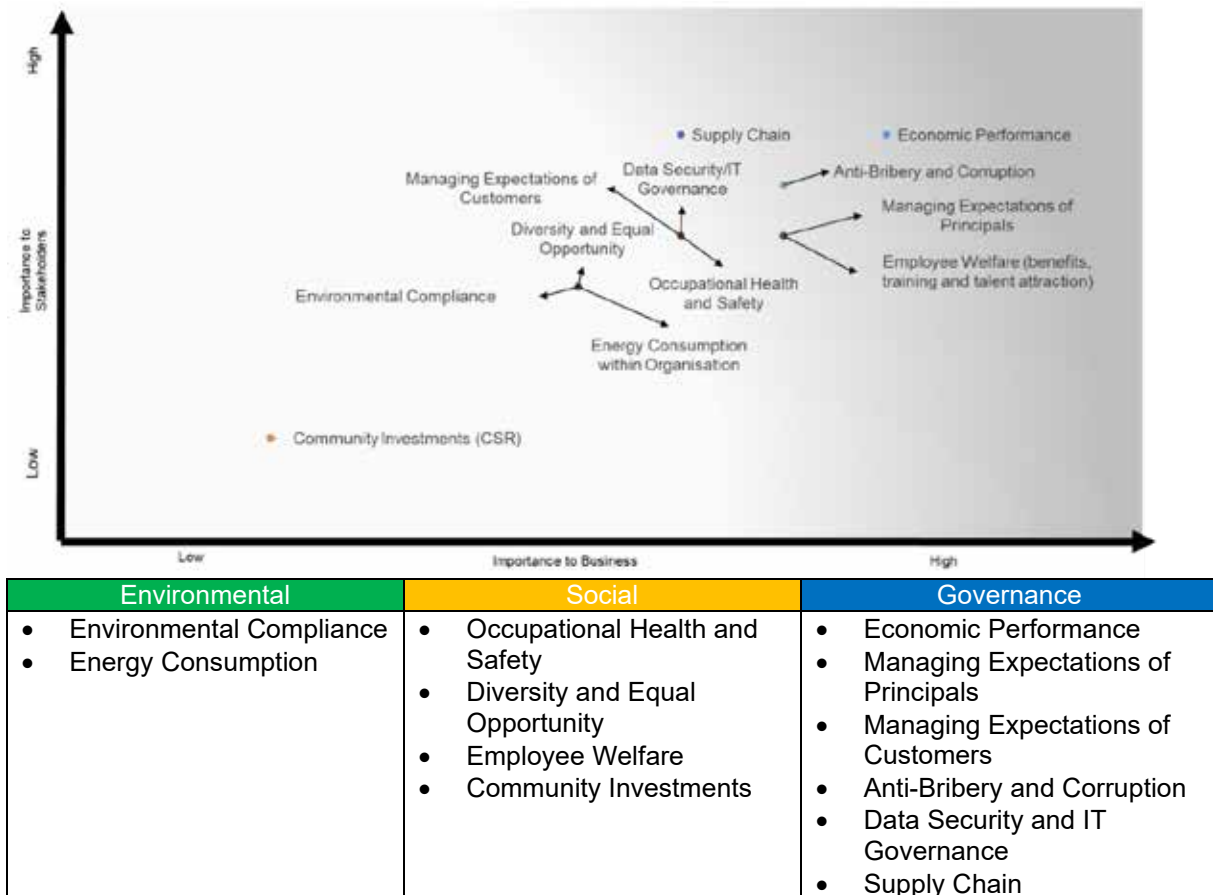
SUSTAINABILITY STATEMENT (CONT'D)

Materiality Assessment

Materiality assessment is a process that allows the Group to analyse, where our operations have the greatest impact on the economy, environment, and the society. This ensures that our sustainability efforts are focused on the topics that are most significant to our business.

Step 1	Identification	Selection of potential material topics based on the risks and opportunities to the sector.
Step 2	Selection	Material topics are evaluated based on their alignment with the concerns of internal and external stakeholders, including whether they are aligned with key organisational values, goals and targets.
Step 3	Analysis and Review	Analysis and review of the selected issues to understand their implications and relevance to the Group's operations and strategy. This also includes review on the relevance of previously identified material factors.
Step 4	Prioritisation	The issues were prioritised based on their impact and importance, determining which ones should be the focus of the Group's sustainability efforts.
Step 5	Confirmation	Prioritised issues were validated through internal review to ensure their accuracy and relevance before finalising them.

The Group's first materiality assessment was conducted in FY2018. To ensure the relevance and significance of the material topics to our business, we review them annually. In FY2025, we conducted a limited scale review on the material topics and concluded that all our existing material matters are aligned with the Group's strategic priorities and stakeholders' expectations. Accordingly, we have retained the same twelve (12) material matters this year, as illustrated in the Materiality Matrix below: -





SUSTAINABILITY STATEMENT (CONT'D)

Through our materiality assessment process, we have identified potential sustainability risks and opportunities that are relevant and material to both our business and stakeholders. By integrating these diverse risk categories, we ensure a risk management approach that supports our sustainability objectives and long-term corporate goals.

Material Topics	Why It Matters	Material Issue Risks and Opportunities	Our Response and Reference Section in this Report
Environmental Compliance	Environmental compliance ensures adherence to laws, regulations, and standards aimed at protecting ecosystems, human health, and natural resources.	<p><u>Risk</u> Non-compliance may lead to fines and affects image of the Group.</p> <p><u>Opportunity</u> Compliance enhances image and trust with customers, investors, and communities.</p>	Environmental Compliance (page 21)
Energy Consumption within Organisation	Effective energy management is a vital aspect of the Group's operations.	<p><u>Risk</u> Inefficient energy consumption generates GHG emissions, which contribute to climate change.</p> <p><u>Opportunity</u> Potential to lower operational expenses.</p>	<ul style="list-style-type: none"> Monitoring of energy consumption Emissions Management (page 22)
Occupational Health and Safety	Our employees' wellbeing is a key driver to the success of our business and operations.	<p><u>Risk</u> Poor health and an unsafe environment can lead to legal non-compliance costs, loss of staff morale, operational inefficiency, and reputational damage.</p> <p><u>Opportunity</u> Ensuring a safe workplace prevents injuries and illnesses, leading to increase efficiency and compliance with industry safety standards.</p>	<ul style="list-style-type: none"> We aim to achieve zero work-related fatalities Training of employees on health and safety standards. (page 24)



SUSTAINABILITY STATEMENT (CONT'D)

Material Topics	Why It Matters	Material Issue Risks and Opportunities	Our Response and Reference Section in this Report
Diversity and Equal Opportunity	An inclusive working environment promotes employee wellbeing and performance, which allows them to contribute to the success of the business. It also enhances corporate image.	<p><u>Risk</u> Business decisions and strategies may be limited by a lack of diversity. Human rights violations may result in discrimination issues, and reputational damage.</p> <p><u>Opportunity</u> Diversity improves employee morale, productivity and employee retention. This also fosters an inclusive culture to improve corporate image.</p>	Diversity data (page 25, 26 & 27)
Employee Welfare (Benefits, Training and Talent Attraction)	Employee welfare, including benefits, training, and talent attraction, is a critical aspect the Group's operation, as a stable and productive workforce will contribute to the Group's long-term success and sustainability.	<p><u>Risk</u> High staff attrition can lead to increased recruitment and training costs, decreased productivity and potential negative impact on employee morale.</p> <p><u>Opportunity</u> Prioritising employee welfare helps to create a positive and supportive work environment that not only attracts top talent but also retains and motivates existing employees.</p>	We provide employee training and monitor our staff turnover. (page 27 & 29)
Community Investments	Fostering positive relationships between businesses and communities is key to achieving social inclusion and long-term benefits.	<p><u>Risk</u> Negative public perception as "profit-driven" rather than a responsible corporate citizen. Lack of trust with local stakeholders also limits partnerships with NGOs, governments, or community groups that could drive innovation or shared-value projects.</p> <p><u>Opportunity</u> Working closely with communities creates positive impact on these communities and areas of operations.</p>	Our community investment initiatives (page 30 & 31)



SUSTAINABILITY STATEMENT (CONT'D)

Material Topics	Why It Matters	Material Issue Risks and Opportunities	Our Response and Reference Section in this Report
Economic Performance	Economic performance contributes to financial stability which in turn, has an impact on our ability to meet our financial obligations to the stakeholders.	<p><u>Risk</u> Economic underperformance can erode stakeholder confidence, resulting in diminished trust from investors, clients, and employees alike.</p> <p><u>Opportunity</u> Sustainable financial performance creates long-term value for all stakeholders.</p>	Details on the Group's business and financial performance can be found in our Management Discussion and Analysis of this annual report.
Managing Expectations of Principals	Principals regards our Group as an integral part of their sales and marketing operations and rely the Group to provide the local market intelligence and research which are vital to their continuing success in the markets where the Group are entrusted with special distribution rights.	<p><u>Risk</u> Not meeting expectations of principals may lead to loss of distributorship which may lead to decreased revenue, and ultimately impact our long-term sustainability.</p> <p><u>Opportunity</u> Meeting expectations of principals ensure sustainable financial stability.</p>	As the business involves both principals and customers and are intertwined, we manage our business risk via monitoring of key risks such as trade credit extended to customers, non-competitive sales and distribution expense risk, market return and trade spend, loss of distribution agencies, and overstocking. Steps to anticipate and mitigate these key risks are an integral part of the Group Risk Management.
Managing Expectations of Customers	Our customers are the primary source of revenue, providing essential capital that underpins the sustainability of our business.	<p><u>Risk</u> Not meeting expectations of customers may lead to loss of business, decreased revenue, and ultimately impact our long-term sustainability.</p> <p><u>Opportunity</u> Meeting expectations of customers ensure sustainable financial stability.</p>	Our risk management process are further detailed under Statement on Risk Management and Internal Control.



SUSTAINABILITY STATEMENT (CONT'D)

Material Topics	Why It Matters	Material Issue Risks and Opportunities	Our Response and Reference Section in this Report
Anti-Bribery and Corruption	Bribery and corruption harm businesses by undermining good governance, damaging reputations, and resulting in financial loss.	<p><u>Risk</u> The occurrence of corruption, bribery, money laundering and fraud can lead to fines and reputational damage.</p> <p><u>Opportunity</u> Fostering a culture of ethical business conduct and integrity build trust and gain support from stakeholders</p>	The Group maintains an ABC Policy in place. Details of our ABC practice can be referred to under Anti-Bribery and Corruption section (page 33 & 34)
Data Security/IT Governance	With the increasing reliance on technology and the collection of vast amounts of data, ensuring the security and integrity of it has become a top priority.	<p><u>Risk</u> Data breaches and cyber-attacks are not only detrimental to the Group's reputation but also pose significant financial and legal risks.</p> <p><u>Opportunity</u> Managing data security and IT governance mitigates the risk of data breaches and cyber-attacks. It also demonstrate commitment to safeguarding sensitive information and upholding regulatory compliance.</p>	<p>The Group treats all data collected as private and confidential. The Group monitors this risk via our Enterprise Risk Management system. The risks covered include:</p> <ul style="list-style-type: none"> • System Downtime • Company IT Infrastructure Vulnerable to Breakdowns <p>Our performance in managing data privacy is covered under Data Security and IT Governance section (page 35)</p>
Supply Chain	Good relationships with key stakeholders across the supply chain will ensure lower cost, more competitive pricing and better margin.	<p><u>Risk</u> Disruption in supply chain can lead to operational loss.</p> <p><u>Opportunity</u> Well-managed supply chains ensure uninterrupted operations, leading to consistent economic growth and business sustainability.</p>	<p>The Group actively supports local businesses and vendors to meet the Group's operation needs.</p> <p>Our performance in managing this material matter is covered under Supply Chain section (page 35)</p>



SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL COMPLIANCE

Why it Matters

Environmental compliance is a corporate responsibility and is essential to protect the environment and prevent harm to human health.

Environmental compliance is foundational to our commitment to sustainable operations and corporate responsibility. Adhering to environmental laws, regulations, and standards ensures we minimise negative impacts on ecosystems, protect public health, and contribute to global efforts to combat climate change.

Non-compliance not only risks legal penalties and reputational damage but also undermines stakeholder trust, including investors, customers, and communities. By prioritising compliance, we foster long-term resilience in a world increasingly focused on environmental accountability. It also reflects our ethical duty to operate transparently and safeguard natural resources for future generations.

Our Approach

We strive to adhere to all environmental laws and regulations, as well as minimising the environmental impact of our operations. We believe that protecting the environment starts with doing the right thing, even when no one is watching. Our approach to environmental compliance is built on responsibility, awareness, and continuous improvement. We stay informed about environmental laws and guidelines that apply to our work, ensuring we comply to all laws and regulations.

Our Performance

In 2025, there was no incidence of material non-compliance with laws and regulations resulting in significant fines or sanctions, and we endeavor to maintain this track record for the next financial year and beyond.

Environmental Compliance	FY2023	FY2024	FY2025
Incidents of non-compliance with environmental laws and regulations	Nil	Nil	Nil

ENERGY CONSUMPTION WITHIN ORGANISATION

Why it Matters

The Group acknowledges the profound impact of our energy consumption and GHG emissions on climate change. As responsible organisation, we recognise our duty to minimise our carbon footprint while actively seizing the opportunities presented in the transition to a low-carbon economy.

Our Approach

We are committed to preserving the environment by implementing environmental-friendly practices in our operations. At our workplace, we encourage energy saving measures such as controlling the air conditioning temperature at reasonable level and turning off electrical appliances when no one is using. We practice recycling at our offices and reuse recycled papers whenever possible, to reduce paper usage.

Harrisons is fully aware of its responsibility for nurturing the environment and lessening negative environmental consequences at our workplace and the environment where we operate. We aim to optimize our energy sources to minimise operating expenses, enhance energy efficiency, and support the global effort in managing climate change. Through fostering a mindset of conservation and sustainability, we aim to minimise our ecological footprint while also enhancing our operational effectiveness.



SUSTAINABILITY STATEMENT (CONT'D)

Our Performance

The following data represent our energy consumption within the Group for past three financial years:

Indicator	Measurement Unit	FY2023	FY2024*	FY2025*
Bursa C4(a) Total energy consumption				
- Electricity	Megawatt	3,145	3,641	3,245

*Data for FY2024 and FY2025 is assured by the Group's internal auditors. The scope of assurance covers 3 most active entities in Malaysia.

Total Energy Consumption-Purchased Electricity (MWh)



Emissions Management

The Group is aware of the global concern regarding climate change, which arises from the increase in energy consumption and its greenhouse gas (“GHG”) emissions. Consumption of fossil fuels results in the release of carbon emissions, which is a major contributor to climate change and global warming. The Group acknowledges that the management of the emission of greenhouse gases is a core component of addressing climate change. In 2023, we started tracking and monitoring carbon emissions generated by our business operations. We currently track Scope 1 and 2 emissions which are comprised of emissions from company-owned vehicles and purchased electricity, where electricity represents the main source of energy for the Group.

Recognizing the importance of comprehensive environmental stewardship, we are committed to initiating and undertaking the monitoring of Scope 3 emissions in the near future.

Moving forward, we will consider conducting assessments in our operations to identify opportunities to enhance energy efficiency and reduce energy consumption. Where possible, we will also consider methods to lessen the reliance on fossil-based energy sources, subject to evaluation of its potential costs and benefits.

Emissions (tonnes of CO ₂ e)	FY2023	FY2024	FY2025
Scope 1	Nil	Nil	691.64
Scope 2	1,492.37	1,763.18	1,512.12

Note:

- 1) The Group begin to track Scope 1 emissions in FY2026. Scope 1 emissions represent emissions generated by Company-owned vehicles.
- 2) Scope 1 emission factor are obtained from GHG Protocol.
- 3) Scope 2 emissions are indirect GHG emissions arising from purchased electricity of the Group. Emission conversion factor for Scope 2 is derived from the CDM Electricity Baseline for 2017 by Malaysian Green Technology Corporation.



SUSTAINABILITY STATEMENT (CONT'D)

Water Management

We are aware that water is a precious resource, and our consumption habits directly impact the environment. While water consumption was not identified as a material matter for Harrisons through our materiality assessment, we treat the use of water judiciously as part of our operations with the recognition that water is a precious natural resource.

The water consumed by the Group are mainly for domestic purposes in office areas and warehouses. The Group has adopted water conservation measures to reduce water consumption. The Group encourages all employees to develop the habit of conserving water consciously. Any water leakage are promptly investigated and rectified timely.

Indicator	Measurement Unit	FY2023	FY2024*	FY2025*
Bursa C9(a) Total volume of water used	Megalitres	30.29	35.11	33.77

*Data for FY2024 and FY2025 is assured by the Group's internal auditors. Data verified is limited to actual water bills presented. The scope of assurance covers 3 most active entities in Malaysia.

Total Water Consumption (Megalitres)



Waste Management

It is essential for us to contribute to climate action by reducing waste generation and optimising the use of resources. We strive to minimise our environmental footprint while simultaneously creating value from waste generated. Our packaging materials and waste are properly segregated to be recycled or turn into handcraft, flower pots and pavement. Our staff participate in projects with our partners to clean and sustain the environment.

Historically, the Group monitored waste generation as part of its sustainability disclosures. In alignment with Bursa Malaysia's latest amendments to the Listing Requirements on Sustainability Reporting (Practice Note 9A), reporting of this metric is no longer mandated under the revised listing requirements.

The Company intends to recalibrate its focus to prioritise sustainability components most relevant to its operations as a sales and distribution entity. Given that waste generation is neither a material issue for stakeholders nor a significant operational byproduct of the Company's business activities, the Group is of the opinion that tracking of this metric is no longer required.

The Company remains committed to adhering to regulatory requirements and will continue to channel resources toward areas of greater impact, such as energy efficiency and carbon footprint reduction. Should waste management reemerge as a material factor due to operational shifts or regulatory changes, the Group will reassess its disclosure practices accordingly.



SUSTAINABILITY STATEMENT (CONT'D)

OCCUPATIONAL HEALTH AND SAFETY

Why it Matters

Our employees' wellbeing is a key driver to the success of our business and operations. A safe workplace is not just a legal obligation, it's a moral responsibility. Protecting our team from harm ensures their well-being, builds trust, and fosters a positive, productive work environment. Injuries or illnesses disrupt lives, impact morale, and hinder operational efficiency. By prioritising safety, we demonstrate respect for our employees, reduce risks, and create a culture where everyone feels valued and empowered to speak up about hazards. Ultimately, a commitment to health and safety strengthens our reputation and supports long-term business success.

Our Approach

Harrisons places strong emphasis on a workplace that is free from theft, violence, harassment, intimidation and other unsafe and disruptive influences due to internal and external conditions as the staffs are the backbone to the Group. The key health and safety activities held by the Group includes fire drills, evacuation exercises and training in proper use of equipment and proper work instructions to prevent workplace hazards from happening. Our approach to health and safety is grounded in prevention, education, and collaboration.

- **Putting People First:** We design workspaces and processes with safety in mind, ensuring physical and mental well-being are prioritised.
- **Training & Awareness:** Regular, easy-to-understand training helps employees recognize risks (e.g., equipment hazards) and take action to stay safe.
- **Open Communication:** We encourage employees to report concerns without fear of blame, and we act quickly to address issues.
- **Continuous Improvement:** We learn from near-misses and employee feedback to refine our practices.
- **Team Effort:** Managers and staff work together to identify solutions, fostering shared responsibility for a safer workplace.

Our Performance

We are proud to report that there have been no work place fatalities for 2025 and we endeavor to maintain this track record for the next financial year and beyond.

Indicator	Measurement Unit	FY2023	FY2024	FY2025
Bursa C5(a) Number of work-related fatalities	Number	Nil	Nil	Nil
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.32	0.19	Nil
Bursa C5(c) Number of employees trained on health and safety standards	Number	479	467	477



SUSTAINABILITY STATEMENT (CONT'D)

DIVERSITY AND EQUAL OPPORTUNITY

Why It Matters

Diversity and equal opportunity are essential to fostering innovation, fairness, and a thriving workplace. A diverse workforce encompassing differences in race, gender, age, ability, religion, and background brings varied perspectives that drive creativity and better decision-making. Ensuring equal opportunity means everyone has the chance to succeed, regardless of identity, which strengthens employee engagement, reduces turnover, and builds trust with our customers and communities. Beyond ethical responsibility, diverse organisations are better positioned to understand markets and reflect the societies they serve. By championing inclusion, we create a culture where individuals feel valued, respected, and empowered to contribute their best.

Our Approach

Our commitment to diversity and equal opportunity is rooted in action, not just intent. We focus on:

- Fair Recruitment: Ensuring job postings, hiring panels, and selection processes are free from bias.
- Inclusive Culture: Promoting open dialogue, addressing unconscious bias through training, and acknowledging diverse perspectives in everyday operations.
- Equal Growth Opportunities: Providing mentorship, leadership development, and advancement pathways for all employees, with pay reviews.
- Listening and Learning: Conducting anonymous surveys to understand employee experiences and using feedback to improve policies.

We believe diversity is a strength. We evaluate candidates based on the Group's needs and match their tasks to their qualifications and experience. New recruits may also gain exposure to various areas of our operations to develop a holistic understanding of our business. Our operational workforce adheres to industry guidelines and our own Code of Conduct and Ethics. We practice fair employment and regularly engage employees through activities aimed at promoting effective dialogue and communication.

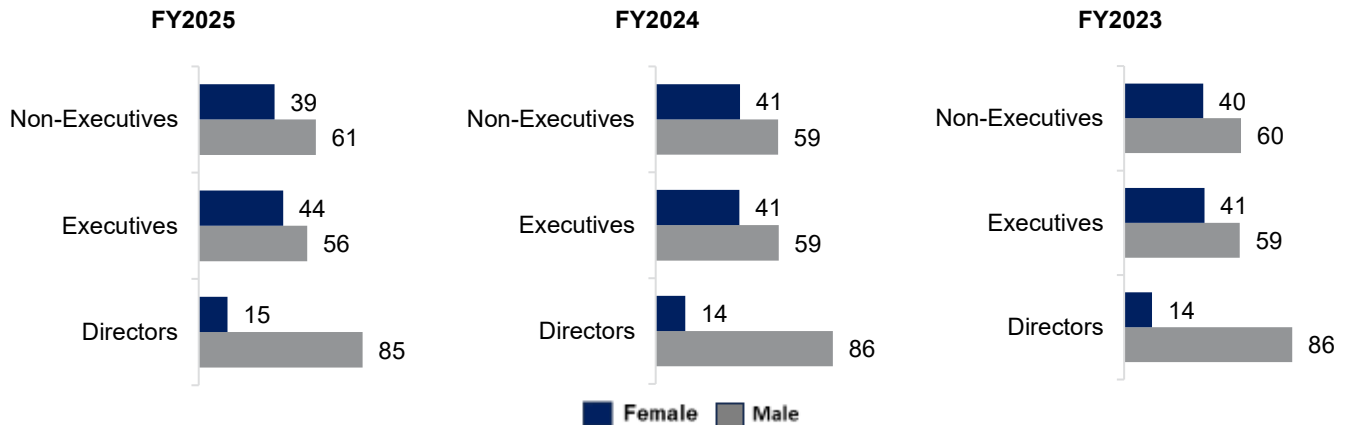
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SUSTAINABILITY STATEMENT (CONT'D)

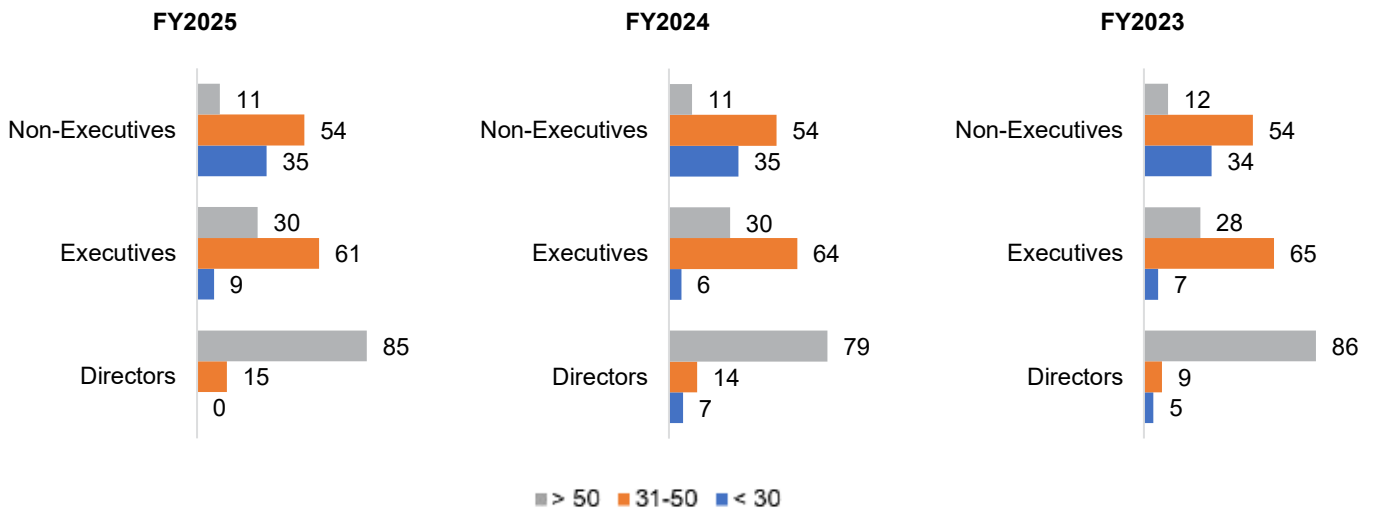
Building and retaining talent are both critical in growing the Group as the continuous growth of the Group needs talented employees. We pledge to the principle of equal opportunity in hiring, promoting and rewarding our employees. Having a diverse workforce with equal opportunity regardless of age, race and gender is one of the ways to build and retain talent. As at 31 December 2025, Harrisons employed 2,031 people. The diversity of Harrisons workforce in terms of gender, age and ethnicity as at 31 December 2025 is as follows:

Employee Gender Diversity by Employee Category (%)



Note: Directors referred to herein are defined as Management

Employee Age Diversity by Employee Category (%)

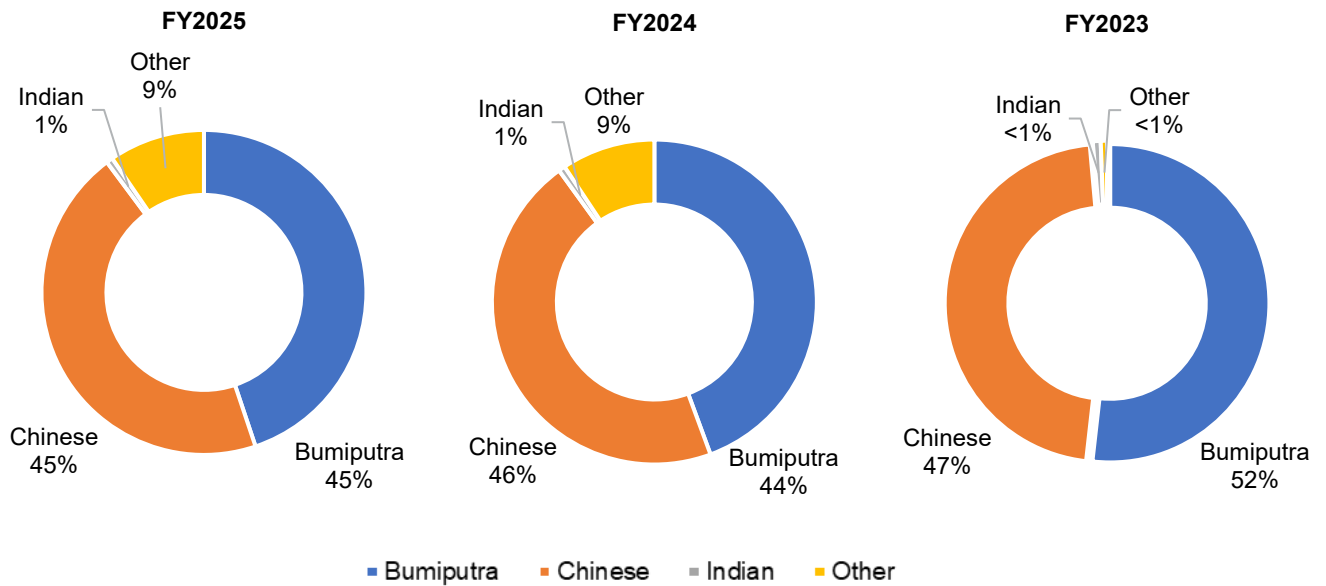


Note: Directors referred to herein are defined as Management

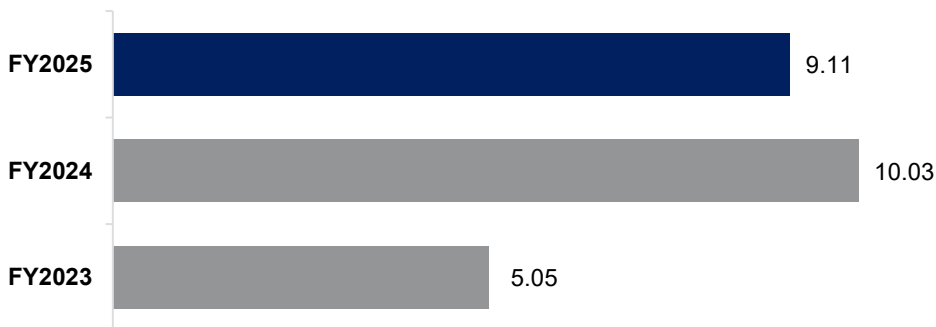


SUSTAINABILITY STATEMENT (CONT'D)

Ethnicity Composition (%)



Percentage of Employees That are Contractors or Temporary Staff (%)



Employee Turnover

Human capital is one of the most important assets in our business. The Group believes in attracting, motivating and reducing employee turnover at work through providing a rewarding working environment and also looking after their well-being. The table below illustrates our employee turnover at the end of each reporting period:

Indicator	Measurement Unit	2023	2024	2025
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	Nil	Nil	Nil
Executive	Number	28	16	18
Non-Executive/Technical Staff	Number	277	308	308



SUSTAINABILITY STATEMENT (CONT'D)

Board Diversity

The Group recognises the benefits of having an effective and diverse Board in supporting the attainment of its strategic objectives. The Board, composed of experienced professionals from diverse industries, plays a pivotal role in aligning our business objectives with sustainability and climate goals. We believe that creating a diverse and equitable Board is essential to our core values of our Group.

All appointments to the Board are made on merit, ensuring that individuals are selected for their qualification, experience, and expertise. The Board's policy is designed to create a diverse and skilled composition that is able to effectively address the needs and challenges of the business. The Board diversity in terms of gender and age group are illustrated below:

EMPLOYEE WELFARE

Why it Matters

Employee welfare is the cornerstone of a motivated, loyal, and high-performing workforce. Competitive benefits, ongoing training, and intentional talent attraction strategies ensure we attract and retain skilled individuals while fostering their growth. When employees feel supported physically, mentally, and professionally they are more engaged, productive, and aligned with organisational goals. Investing in their welfare builds trust, reduces turnover, and enhances our reputation as an employer of choice. In a competitive labor market, prioritizing welfare isn't just good ethics; it's smart business that drives innovation and long-term success.

Our work environment is aimed at providing a fair performance-based work culture that is diverse, inclusive and collaborative. We also encourage our people to reach their fullest potential and provide them with a fulfilling and meaningful career. We have structured attractive remuneration packages to ensure employees are justly rewarded and to ensure that we remain competitive to attract strong talent.

An employee handbook is in place covering the policies, benefits, procedures and code of conducts that have to be abided by the employees under the Group. As for employees' benefits, apart from complying with the statutory requirements in Malaysia, benefits such as staff uniform, company transport, meal allowance and Group hospitalisation insurance are also provided to all employees.

Employee wellbeing has important implications for productivity and work relationships. To promote a healthier and active lifestyle among employees, the Group supports in-house Sport Clubs which organises various sports and recreational activities on a regular basis.

Our Approach

We take a holistic approach to employee welfare, ensuring our team thrives at every career stage:

- **Comprehensive Benefits:** We offer competitive packages, including healthcare support, parental leave, and wellness programs, tailored to diverse needs.
- **Continuous Learning:** Regular training, mentorship, and access to courses empower employees to upskill, adapt to industry changes, and advance their careers.
- **Talent Attraction:** We promote our values and culture through inclusive hiring practices and highlighting opportunities for growth and impact.
- **Flexibility & Balance:** Paid time-off help employees manage personal and professional commitments.
- **Listening & Adapting:** Employee feedback ensure our offerings evolve with their needs.

Our goal is to create an environment where people don't just work-they grow, innovate, and feel valued.

Engaging with Our Employees

Two-way communication in the workplace is vital for alignment between employees and our Group's overall business strategy. Continuous open dialogue is the main platform used to engage our employees. Open dialogues are conducted informally to encourage employees to raise any issues to management. We believe that this provides a more interactive and direct channel for any form of feedback.



SUSTAINABILITY STATEMENT (CONT'D)

Employee Training and Development

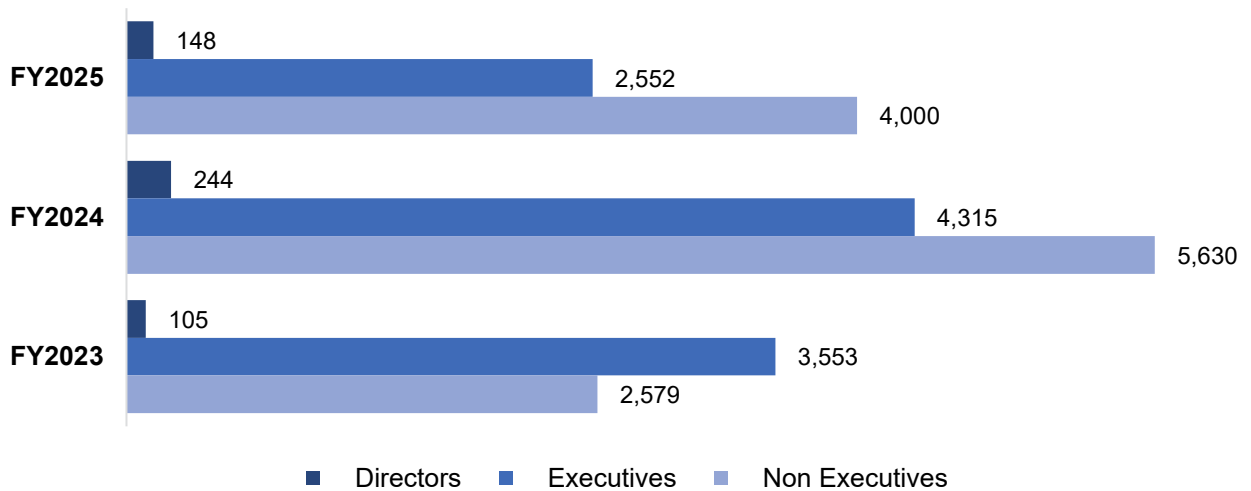
Every employee plays an essential role in the Group. We focus on attracting and retaining talent and then helping them to develop their skills to drive our Group's success. Harrisons is highly regarded as an employer and has successfully nurtured and retained a pool of loyal, committed, professional and capable staff.

We believe that learning and training is an important, continuous and life-long process so that employees are equipped with the competencies needed to meet current and future business needs. This includes workshops, seminars, conferences, in-house company training and on-the-job training. During the year, Harrisons has conducted in-house trainings, sales field coaching and management trainee programs to upgrade their skills and knowledge.

Harrisons places emphasis on its staff development programmes. As with its Board of Directors, staff are also encouraged to undertake continuing professional education to equip themselves with the latest technical and statutory updates to stay relevant and be prepared for their jobs.

We offer education assistance programmes to support our employee's development and career growth. Over the years, Harrisons has been sponsoring employees to pursue qualifications relevant to their field of work. This includes reimbursement of fees for professional courses such as MBA and marketing courses. Harrisons is also an Association of Chartered Certified Accountants (ACCA) Approved Employer.

Total Hours of Training by Employee Category



SUSTAINABILITY STATEMENT (CONT'D)

COMMUNITY INVESTMENTS

Why It Matters

Investing in communities is central to our role as a responsible corporate citizen. Through targeted CSR initiatives, we address critical social challenges, empower underserved groups, and contribute to sustainable development. Beyond fulfilling ethical obligations, community investments strengthen trust, enhance brand reputation, and foster long-term relationships with stakeholders.

Our Approach

Our community investment initiatives are guided by collaboration, relevance, and accountability:

- **Local Focus:** We prioritise initiatives that address the unique needs of the communities where we operate, partnering with local NGOs and schools.
- **Employee Engagement:** Employees volunteer time and expertise, with programs like paid volunteer days.
- **Strategic Giving:** We direct resources toward key pillars such as education, environmental conservation, healthcare, or economic empowerment, ensuring alignment with our core values.
- **Long-Term Impact:** Our initiatives are aimed to provide assistance with sustainability in mind, aiming to create long term and meaningful partnerships with our community.
- **Transparency:** We aim to report the outcomes and inviting feedback to improve our future efforts.

Our Performance

Indicator	Measurement Unit	FY2023	FY2024	FY2025
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	8,694	35,297	17,150
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	17	9	79

Harrisons Sarawak Sdn. Bhd.

Corporate Social Responsibility Calendar		
Date	Location	Activity
September 2025	Rumah Austin Ikau Longhouse, Song	Donated food and non-food items amounting to RM4,600
November 2025	Kampung Wireless	Contributed Nestlé and general products worth RM3,433.55



Rumah Austin Ikau Longhouse, Song

A pre-dawn blaze had gutted 29 door longhouse in Song in September 2025 and had affected 75 occupants whom were left homeless after the fire. A temporary evacuation center was set up at the Song community hall to house the victims. A district welfare arranging the delivery of foods was formed. Harrisons Sarawak had contributed foods and non-food products for immediate relief for the victims.



SUSTAINABILITY STATEMENT (CONT'D)



On 15 November 2025, 4 houses and a furniture store in Kampung Wireless were completely destroyed by a fire and 3 other nearby houses were also partially damaged in the incident. A distress call was received at 5.35pm and firefighters from the Miri, Lopeng and Lutong fire stations were dispatched to the location. The firefighting efforts were assisted by a vessel from a shipping company that helped spray water from the Miri River (picture shown above). Following the incident, the affected families were relocated to a temporary evacuation centre operated by the Malaysian Red Crescent (MRC) Miri.

The Harrisons Miri CSR Team visited the fire victims at the MRC hall and contributed Nestlé and general products worth RM3,433.55.

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SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC PERFORMANCE

We are committed to achieving economic sustainability growth for our shareholders. We conduct our business in compliance with applicable laws and regulations and in accordance with high ethical business practices and good corporate governance.

As part of Harrisons' journey to incorporate a sustainable business practices in the long term, the Group is committed to a holistic approach to business management. Harrisons believes that focusing on financial sustainability is critical.

Why it Matters

Economic performance contributes to financial stability which in turn, has an impact on our ability to meet our financial obligations. Strong economic performance is vital to sustaining our operations, driving innovation, and delivering value to our stakeholders, from employees and shareholders to the communities we serve. Financial stability enables us to support economic growth in the regions where we operate and invest in sustainable practices. Achieving financial performance also contributes to providing decent employment opportunities and promoting local economic development through the partners, resource providers and suppliers we engage with in our operations.

Transparent reporting on profitability, cost efficiency, and responsible resource allocation builds investor confidence and ensures long-term viability. Beyond shareholder returns, our economic success allows us to contribute to societal progress. A thriving business is the engine for achieving both commercial and ethical objectives.

Our Approach

The Group's efforts towards good economic performance includes upskilling our workforce and mitigating identified risks that are relevant to our business.

Our Performance

The Group's financial review and outlook are elaborated in the Management Discussion and Analysis section of this Annual Report.

MANAGING EXPECTATIONS OF PRINCIPALS AND CUSTOMERS

Why it Matters

Managing expectations of principals was identified as one of the most important material issues across the Group. Highly regarded by its business partners-principals as well as in the trade, the Group has represented major multi-national companies for considerable lengths of time. Presently, Harrisons has over 400 principals. Harrisons' objective is to focus on its distribution business and aims to maintain its position as a leading distributor.

The Group distributes its products to over 15,000 accounts spread all over Malaysia. We aim to provide products/services which meet customers satisfaction and exceed their expectations. We encourage our customers to provide their feedback. The feedback obtained is reviewed and relevant follow-up actions are performed to improve customer satisfaction.

Our Approach

As such, knowing exactly what principals expect from us improves our bottom line and strengthens our reputation in the long term. Engaging with our principals regularly enable us to understand their needs and expectations, identify gaps and enable us to make informed assessments and formulate strategies for execution to bridge such gaps. We have implemented Enterprise Resource Planning ("ERP") system for in our business. The ERP system increases our efficiency of our business processes and assist us in managing our businesses more efficiently. It will also allow us to meet the speedy information demands by our principals and customers.



SUSTAINABILITY STATEMENT (CONT'D)

As for our suppliers, active engagement is done on a regular basis to align our requirements and expectations with them, thereby ensuring sufficient resources being obtained and seamless execution of our operations.

While meeting our customers' satisfaction and requirements, the Group is also mindful that an equilibrium needs to be achieved with the appropriate strategies in sustaining our business. In managing our customers, the Group has implemented policies to ensure that credit sales of products and services are made to customers with an appropriate credit standing or with an appropriate credit history.

The Group has an ongoing process for identifying, evaluating and managing key risks in the context of its business objectives. Key risks such as trade credit extended to customers, non-competitive sales and distribution expense risk, market return and trade spend, loss of distribution agencies, and overstocking are covered. Steps to anticipate and mitigate these key risks are an integral part of the Group's Risk Management process.

Our Performance

The main operating subsidiaries have their own respective Risk Working Committee, which comprises the senior managers for the critical functions of the Group. The respective Risk Working Committee meets quarterly where possible to review and update the risk register; and assess the risk status and employ mitigation action plans when needed.

Ongoing monitoring of risk is conducted by each Risk Management & Sustainability Committee of the main subsidiaries quarterly to ascertain whether any conditions with a particular risk have changed and to ensure that actions and risk mitigation plans have been implemented. This is reported to the Risk Management & Sustainability Committee and Board quarterly.

The main operating subsidiaries' reports are submitted quarterly and reviewed by the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") and the significant risk, any changes and mitigation plans are highlighted and discussed at the Risk Management & Sustainability Committee, Audit Committee and Board meetings.

These processes are embedded within the Group's overall business operations and are guided by operational manuals, policies and procedures.

With a robust risk management framework in place, this has enabled Harrisons to grow from 115 principals in 1998 to over 400 principals to date, and distributes approximately 13,000 product items. The Group operates a total network of 27 branches and 51 warehouses strategically located throughout Malaysia.

ANTI-BRIBERY AND CORRUPTION

Why it Matters

Harrisons upholds high standards of business ethics, trust, integrity and compliance across the Group to safeguard our relationship with our stakeholders. Our principles of corporate governance and corruption prevention are crucial to protect the interests of our business and reinforce confidence among our stakeholders. We uphold our core value of integrity by actively promoting a culture of compliance and zero tolerance for corruption and bribery.

Our Approach

Harrisons has put in place an Anti-Bribery and Anti-Corruption ("ABC") Policy to comply with the Malaysian Anti-Corruption Act 2009. The ABC Policy prohibits any forms of bribery or corruption applicable to Directors, employees and third parties dealing with the Company. Our Gift, Hospitality and Entertainment Policy provides details on guidance and limits to employees on what is permissible and non-permissible when offering or accepting gifts, hospitality or entertainment.



SUSTAINABILITY STATEMENT (CONT'D)

In addition, we have implemented the Board Charter and Conflict of Interest Policy to enhance our governance framework. We expect all relevant parties to adhere strictly to these policies, underscoring our commitment to upholding the highest ethical standards. We have notified our suppliers, customers and third-party intermediaries (like transporters and consultants) and employees to sign and declare that they agree to the ABC Policy if they transact with us.

In 2025, we are pleased to report that there were no confirmed incidents of corruption. Our employees received anti-bribery trainings in FY2025. The Group will continue to target zero incidents of corruption in the Group for the next financial year and beyond.

ADHERENCE TO GOVERNANCE AND COMPLIANCE IN OUR OPERATIONS

Directors' and Employees Code of Ethics

The Group has a Directors' and Employees Code of Conduct and Ethics that sets out the standards and ethical conduct expected of all Directors and Employees of the Group. The Directors' and Employees Code of Conduct and Ethics provides commitment to ethical values through key requirements relating to conflict of interest, confidential information, insider information, protection of the Group's assets and compliance with law and regulations.

Corporate Governance

Harrisons is guided by the Malaysian Code on Corporate Governance 2021. We are proactive in promoting good corporate governance and ensures that the principles and best practices of good governance are applied throughout the Group. The details of our corporate governance practices of the Group are elaborated in the Corporate Governance Overview Statement of this Annual Report.

We have established standard operating policies and procedures, defined levels of authority and guidelines in our business operations to ensure compliance with internal controls, laws and regulations. These policies, procedures and guidelines are subjected to regular reviews and improvements.

Whistleblowing Policy

We practice an open and honest policy enabling our employees to report on any suspected misconduct, corporate misbehavior and fraudulent activities. Harrisons has established a Whistleblowing Policy that outlines the Group's commitment to ensure that employees and other stakeholders are able to raise concerns regarding any illegal conduct or malpractice at the earliest opportunity without being subject to victimization, harassment or discriminatory treatment, and to have such concerns properly investigated.

This policy sets out the mechanism and framework by which employees, contractors, consultants and any other individuals or organization who have dealings with the Company can confidently voice concerns or complaints in a responsible manner without fear of discriminatory treatment.

Risk Management

The Group has an ongoing risk management process for identifying, evaluating and managing key risks in the context of its business objectives. When identifying material ESG matters for our Group, we also consider its potential sustainability risks and opportunities aspect. Wherever applicable, material ESG matters identified will be mapped to our existing risk registers via our ongoing quarterly review of the Group's risk profile. To a certain extent, the management of these material ESG matters has been addressed via our existing risk management process, while other material matters may not fall under as key risks in our corporate risk profile but are addressed accordingly throughout this report. These processes are embedded within the Group's overall business operations and are guided by operational manuals, policies and procedures and are regularly reviewed by the Board.



SUSTAINABILITY STATEMENT (CONT'D)

DATA SECURITY AND IT GOVERNANCE

Why it Matters

In recent years, Malaysia has seen more frequent and severe cyber-attacks, which reflects a growing trend of digital threats within the country. Thus, processing of personal information and data has become critical, both within the Group as well as externally with regard to data flows.

Our Approach

The Group treats all data collected as private and confidential and are not made available to third parties unless mandated by the law. This is done with the consent of employees, customers and business partners, with their full understanding and awareness that such data is collected by the Group and may be used for internal purposes. The Group has a system in place to ensure that such data remains confidential. Our data management is governed through policies and procedures such as password, email, and internet policy, with other safeguarding measures in place to protect the confidential information stored in our Information Technology (“IT”) system.

Our Performance

Indicator	Measurement Unit	FY2023	FY2024	FY2025
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	Nil	Nil	Nil

We are pleased to announce that no substantiated complaints were received from any regulatory or official bodies in relation to breaches of customer privacy and losses of customer data during the year.

SUPPLY CHAIN

Why it Matters

A responsible and resilient supply chain is critical to our business success and sustainability goals. Acknowledging that responsible procurement is vital for long term value creation and the progression of our sustainability agenda, we prioritise domestic companies in our value chain. We aim to build long-term partnerships that drive shared value for communities and stakeholders.

Our Approach

The Group actively supports local businesses and vendors to meet the Group’s operation needs. Local businesses are defined as vendors within the region. This approach ensures cost effectiveness and reduces lead times and our carbon footprint. Supporting local businesses also contributes to their growth and creates more job opportunities for local communities.

We aim to optimise our procurement practices and ultimately contribute to the overall success of our organisation. We place emphasis in assessing our principals and suppliers’ quality and performance, ensuring that we engage those who consistently deliver high-quality products and services.

We support our local principals and vendors where possible, as we believe this will translate into better revenue and supply chain efficiency for the local businesses while simultaneously stimulating the economic growth in Malaysia.



SUSTAINABILITY STATEMENT (CONT'D)

Proportion of Spending on Local Suppliers (%)



National Sustainability Reporting Framework

On 24 September 2024, the Advisory Committee on Sustainability Reporting (“ACSR”) with the support of the Ministry of Finance Malaysia, chaired by the Securities Commission and comprising of members from the Audit Oversight Board, Bank Negara Malaysia, Bursa Malaysia, Companies Commission of Malaysia and the Financial Reporting Foundation, has launched the National Sustainability Reporting Framework (“NSRF”).

This framework addresses the use of the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (“ISSB”), specifically the *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information*, and *IFRS S2 Climate-related Disclosures* (collectively referred to as the ISSB Standards), as the baseline sustainability disclosure standards for companies in Malaysia, as well as the assurance requirements for sustainability reporting.

Applicable entities		Timeline ²					
		2025	2026	2027	2028	2029	2030
Group 1	Main Market listed issuers with market capitalisation of RM2 billion and above	IFRS S1 and S2			Full adoption IFRS S1 and S2 Scope 3 GHG emissions disclosures		
Group 2	Main Market listed issuers (other than listed issuers in Group 1)		IFRS S1 and S2		Full adoption IFRS S1 and S2 Scope 3 GHG emissions disclosures		
Group 3	<ul style="list-style-type: none"> ACE Market listed issuers Non-listed companies (NLCos) with annual revenue of RM2 billion and above³ 			IFRS S1 and S2			Full adoption IFRS S1 and S2 Scope 3 GHG emissions disclosures
Assurance		<ul style="list-style-type: none"> Aim for reasonable assurance for Scope 1 and Scope 2 GHG emissions starting 2027 Accounting and non-accounting practitioners 					
Location of disclosures and timing of reporting		Applicable entities shall adhere to their respective regulator’s requirements on location and timing of reporting.					

Pursuant to the above, Harrisons will develop a roadmap to disclose climate-related disclosures in accordance with the IFRS S1 and IFRS S2 standards in the upcoming reporting years.



SUSTAINABILITY STATEMENT (CONT'D)

Moving Forward

At Harrisons, we remain committed to staying informed about industry advancements, fostering consistent and proactive dialogue with stakeholders, and deepening the integration of sustainable practices across our operations. These efforts will drive continuous improvement in our sustainability performance. We are dedicated to leveraging opportunities that drive positive environmental impact, strengthen local communities, and foster meaningful progress within our industry. CSI Prescribed table from BURSA as below:

Harrisons Holdings (M) Bhd BMLR Transition Period		Date & Time: 2026-04-20_09:40:23 FYE 31/12/2025			
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-Corruption	Percentage of employees who have received training on anticorruption by employee category	Percentage	100	-	No assurance
Anti-Corruption	Percentage of operations assessed for corruption-related risks	Percentage	100	-	No assurance
Anti-Corruption	Confirmed incidents of corruption and action taken	Number	0	-	No assurance
Community/Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	17150	-	No assurance
Community/Society	Total number of beneficiaries of the investment in communities	Number	79	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category (Directors - Between 31 and 50)	Percentage	15	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category (Directors - Above 50)	Percentage	85	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category (Executives - Under 30)	Percentage	9	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category (Executives - Between 31 and 50)	Percentage	61	-	No assurance



SUSTAINABILITY STATEMENT (CONT'D)

Date & Time: 2026-04-20_09:40:23
FYE 31/12/2025

Harrisons Holdings (M) Bhd
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Percentage of employees by gender and age group, for each employee category (Executives - Above 50)	Percentage	30	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category (Non-Executives - Under 30)	Percentage	35	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category (Non-Executives - Between 31 and 50)	Percentage	54	-	No assurance
Diversity	Percentage of employees by gender and age group, for each employee category (Non-Executives - Above 50)	Percentage	11	-	No assurance
Diversity	Percentage of directors by gender (Male)	Percentage	85	-	No assurance
Diversity	Percentage of directors by gender (Female)	Percentage	15	-	No assurance
Energy Management	Total energy consumption	MW	3,245	-	Internal
Health and safety	Number of work-related fatalities	Number	0	-	No assurance
Health and safety	Lost time incident rate	Rate	0	-	No assurance
Health and safety	Number of employees trained on health and safety standards	Number	477	-	No assurance
Labour practices and standards	Total hours of training by employee category	Hours	6,700	-	No assurance
Labour practices and standards	Percentage of employees that are contractors or temporary staff	Percentage	9.11	-	No assurance
Labour practices and standards	Total number of employee turnover by employee category	Number	326	-	No assurance

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SUSTAINABILITY STATEMENT (CONT'D)

Date & Time: 2026-04-20_09:40:23
FYE 31/12/2025

Harrisons Holdings (M) Bhd
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Supply chain and management	Proportion of spending on local suppliers	Percentage	99	-	No assurance
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	-	No assurance
Water	Total volume of water used	Megalliter	33.77	-	Internal
Emissions Management	Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	691.64	-	No assurance
Emissions Management	Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	1,512.12	-	No assurance

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CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board remains committed to subscribe to the principles of good corporate governance that is central to the effective operation of the Group and to ensure to reach the highest standards of accountability and transparency. The Board will continue promoting existing corporate governance principles and incorporate the practices and corresponding guidance as set out in the Malaysian Code on Corporate Governance 2021 (“MCCG 2021”) into the existing Corporate Governance framework with reference to the Corporate Governance Guide (4th Edition) (“the Guide”) issued by Bursa Securities.

The Board is pleased to provide an overview of the Group’s corporate governance practices, which summarises the Group’s application of the following Principles under the MCCG 2021 during the financial year ended 31 December 2025:

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

This Statement has been prepared in compliance with the MMLR and should be read together with the Company’s Corporate Governance Report 2025, which is available on the Company’s website at www.harrisons.com.my as well as on Bursa Securities’ website at www.bursamalaysia.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Part I – Board Responsibilities

1. Board’s Leadership on Objectives and Goals

1.1 Strategic Aims, Values and Standards

The Board is responsible for the overall performance of the Group and focuses mainly on the strategic management, enhancing corporate value of the Group, performance monitoring and measurement, risk management and internal controls, standards of conduct, shareholders’ communication and critical business decisions.

In carrying out its duties, the Board has amongst others, a formal schedule of matters specifically reserved for its decision, including overall strategic direction, major capital commitments and capital expenditure, material acquisitions and disposals, authority limits/levels, significant material litigation, risk management practices, and monitoring of the Group’s operating and financial performance.

The roles and responsibilities of the Board are set out in the Board Charter which is available on Harrisons’ corporate website at www.harrisons.com.my.

The Board delegates and confers some of its authorities and discretion on the Chairman, CEO and the Management as well as on properly constituted Board Committees comprising exclusively Non-Executive Directors.

The Board Committees, comprising the Audit Committee (“AC”), Nomination Committee (“NC”), Remuneration Committee (“RC”) and Risk Management & Sustainability Committee (“RMSC”) are entrusted with specific responsibilities to oversee the Group’s affairs, with authority to act on behalf of the Board in accordance with their respective Terms of Reference. The Chairman of the relevant Board Committees also report to the Board on key issues deliberated by the Board Committees at their respective meetings.

In general, the Non-Executive Directors are independent of the Management. Their roles are to constructively challenge the Management and monitor the success of the Management in delivering the approved targets and business plans within the risk appetite set by the Board. They have free and open contact with the Management at all levels, and they engage with the External Auditors and Internal Auditors to address matters concerning the Management and oversight of the Group’s business and operations.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The Board is constantly mindful of the need to safeguard the interest of the Group's stakeholders and acknowledges the importance of ensuring that the Company's strategies promote sustainability. The Board regularly reviews the strategic direction of the Company and the progress of the Company's operations. The Board promotes good corporate governance in the application of sustainability practices throughout the Company, the benefits of which are believed to translate into better corporate performance. The sustainability activities demonstrating the Company's commitment to the global environmental, social, governance and sustainability agenda, can be found in the Sustainability Statement on page 13 of this Annual Report.

During the financial year under review, the Board together with the respective Board Committees reviewed and adopted the revised Terms of References of the Audit Committee and the revised Board Charter to be in line with the Companies Act 2016 ("Act"), MCGG and revisions to the MMLR as part of its continuous commitment to enhance corporate governance.

Looking ahead to 2026, the priorities of the Board will be in the following areas:

- (1) Improving and implementing sustainability practices, policies and procedures to embrace the enhanced sustainability requirements and to be geared for the enhanced sustainability disclosures under the Enhanced Sustainability Reporting Framework issued by Bursa Securities and the amendments to the MMLR arising therefrom, which will be implemented in phases; and
- (2) Continue working towards achieving high standards of corporate governance and leverage technology to broaden its channel of dissemination of information and enhance the quality of engagement with the shareholders.

1.2 Chairman and CEO

The Board is headed by Mr Wong Yoke Kong, a Non-Independent Non-Executive Chairman. As a Chairman, he plays a vital role in leading and guiding the Board, and also serves as the communication point between the Board and the CEO.

The role of CEO is held by Mr Chang Kon Sang who is responsible for the day-to-day management of the Group, organisational effectiveness and implementation of Board policies, strategies and decisions. The CEO together with the Management manages the business of the Group in accordance with the Board's strategic plans, instructions and directions. The role of the Management team is to support the CEO and implement the running of the general operations and business of the Group, in accordance with the delegated authority of the Board.

1.3 Separation of the Positions of the Chairman and CEO

The positions of the Chairman and CEO are held by two (2) different individuals. Mr Wong Yoke Kong, a Non-Independent Non-Executive Director, is the Chairman while Mr Chang Kon Sang, an Executive Director is the CEO.

The Board recognises the importance of having a clear separation of responsibilities of the Chairman and the CEO to promote accountability, ensure appropriate balance of roles and facilitates division of responsibilities between them to ensure no one individual can influence the Board's discussions and decision making. The distinct and separate roles of the Chairman and the CEO ensures appropriate balance of roles, responsibilities and accountability at Board level. The Board is satisfied and assured that no individual or group of Directors has unfettered powers of decision that could create a potential conflict of interest.

The distinct roles of the Chairman and the CEO are mentioned in the Board Charter of the Company, which is available at the Company's website.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

1.4 Separation of Chairman of the Board and member of the AC, NC, RC and RMSC

Mr. Wong Yoke Kong, a Non-Independent Non-Executive Director, was re-designated as Chairman of the Board on 20 June 2025, succeeding Mr. Pandjijono Adijanto, who retired as a Director on the same date. In addition to his role as Board Chairman, Mr. Wong serves as a member of both the Risk Management & Sustainability Committee and the Audit Committee.

The Board Chairman is not involved in day-to-day management and operational matters of the Company. He provides constructive ideas and independent opinions to the Board and Board Committee respectively based on different perspectives as a Board Chairman and member of Board Committees. Within the Committees, Mr. Wong's contributions are consistently constructive and collaborative. He actively engages in discussions without dominating them, thereby fostering a culture of open dialogue and collective decision-making. Recommendations from the Committees are subsequently tabled for further review and discussion at the Board level, where decisions are made collectively. The Board, comprising a majority of Non-Executive Directors, supports this robust deliberation process, reinforcing the integrity of governance and oversight.

Given his extensive experience, Mr. Wong provides insights that strengthen the Committees' ability to evaluate risks, sustainability matters, and audit issues. His guidance enhances the quality of decision-making, ensuring that outcomes are aligned with the long-term interests of the Company and its stakeholders.

1.5 Qualified and Competent Secretaries

In performing their duties, all Directors have access to the services of the Company Secretaries. The Company Secretaries act as the corporate governance counsel and ensure good information flow within the Board, Board Committees and the Management. The Company Secretaries attended all meetings of the Board and Board Committees and advises the Directors on the requirements encapsulated in the Company's Constitution and legislative promulgations such as the Companies Act 2016 ("the Act"), MMLR, MCGG 2021 and other relevant rules and regulations.

1.6 Access to Information and Advice

All Directors have unrestricted access to the Group's business and affairs including inter alia, financial results, annual budgets, business reviews against business plans and progress reports, operation reports on the Group's development and business strategies to ensure effective functioning of the Board.

In addition, the Audit Committee regularly communicates with the CEO and Senior Management when carrying out their duties and responsibilities and requests for additional information and clarification as and when necessary.

In order to discharge their duties, the Directors are provided with full and timely access to written reports and supporting information prior to Board meetings and are free to seek any further information they consider necessary. The Board's reports and papers include information on major financial, operational and corporate matters as well as activities and performance of the Group.

In furtherance of their duties, whenever independent professional advice is required by the Directors, external experts may be engaged at the Company's expense to provide additional insights and professional views, advice and explanations. Besides, all Directors also have direct access to the advice and services of the Company Secretaries who are capable of carrying out their duties.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

2. Demarcation of Responsibilities

2.1 Board Charter

The Board Charter serves as a reference and primary induction literature, providing all Board members and the Management insights into the fiduciary and leadership functions of the Board. It also clearly sets out the respective roles and responsibilities of the Board, Board Committees, individual Directors and the Management.

The Board Charter is subject to periodic review and will be updated as and when necessary to ensure it remains consistent with the Group's policies and procedures, the Board's overall responsibilities as well as changes to legislation and regulations. The Board Charter was reviewed and approved on 26 February 2026.

The Board Charter is available on the Company's website at www.harrisons.com.my

3. Promoting Good Business Conduct and Corporate Structure

3.1 Code of Ethics and Conduct

The Group is committed to achieving and monitoring high standards pertaining to behaviour at work.

The Board is strictly adhered to the Company Code of Conduct and Ethics for Directors and employees in discharging its oversight role effectively. The Code of Conduct and Ethics requires all Directors to observe high ethical business standards, apply these values to all aspects of the Group's business and professional practice, and act in good faith in the best interests of the Group and its shareholders.

The Code of Conduct and Ethics for the Company Directors is incorporated in the Board Charter and is available at the Company's website at www.harrisons.com.my

3.2 Whistleblowing Policy

The Company has adopted a whistleblowing policy for the Group as a measure to promote the highest standard of corporate governance. The whistleblowing policy serves as a platform whereby all employees are encouraged to report genuine concerns about unethical behaviour or malpractices. Any such concerns should be raised with the Chairman of Audit Committee, Mr Felix Leong.

The whistleblowing policy is available at the Company's website at www.harrisons.com.my.

3.3 Anti-Bribery and Corruption ("ABC") Policy

The Board has adopted the ABC Policy to incorporate the policies and procedures on anti-corruption as guided by the "Guidelines on Adequate Procedures" issued by the Prime Minister's Department to promote better governance culture and ethical behaviour within the Group and to prevent the occurrence of corrupt practices in accordance with the new Section 17A of the Malaysian Anti-Corruption Commission Act 2018 on corporate liability for corruption which came into force on 1 June 2020.

The Group strictly prohibits all forms of bribery and corruption and will take all necessary steps to ensure that it complies with and conducts its business with transparency.

The ABC Policy is available on the Company's website at www.harrisons.com.my.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

3.4 Directors' Fit and Proper Policy

In line with the amendment to the MMLR, the Board had adopted the Directors' Fit and Proper Policy which outline the fit and proper criteria for the appointment and re-appointment of Directors on the Board of the Company.

The said policy also ensures that each of the Directors has the character, skills, knowledge, experience, honesty and integrity, competence and capability, financial soundness, and time to effectively discharge his/her role as a Director of the Company and its subsidiaries, and in tandem with good corporate governance practices.

In addition, the policy also serves as a guide to the NC and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking for election or re-election at the forthcoming annual general meeting of the Company.

The Directors' Fit and Proper Policy is included in the Board Charter and available on the Company's website at www.harrisons.com.my.

3.5 Conflict of Interest Policy

As part of the governance process, the Board has formalised and adopted the Conflict of Interest Policy ("COI Policy"). The COI Policy aims to effectively identify and manage actual, potential and perceived conflicts of interest and provide guidance on how to deal with conflict of interest situations as they arise.

The COI Policy is available on the Company's website at www.harrisons.com.my.

3.6 Sustainability Leadership

The Board takes cognisance of the importance of improving the values affecting stakeholders, employees, society, and the environment towards sustainability of the Group's business. The Board with consultation from management, oversees and evaluates the economic, environmental, social and governance issues and any other external matters that may affect the development of the Group's business or the interest of the shareholders, ensuring that the Company's strategies promote sustainability. The sustainability practices of the Group are disclosed in the Sustainability Statement, which is reviewed and approved by the Board.

The CEO leads the Group's sustainability practices across management and operational fronts, with respective division heads driving the division's sustainability practices.

The Group is fully committed to discharge its duty in curbing environmental concerns, ensuring safety and health of employees and consumers are safeguarded.

The Company recognises the importance of stakeholder engagement and engages with stakeholders through communication avenues such as dialogues, media engagement, general meetings, survey and feedback, annual and quarterly reports and announcements, and designated email, allowing stakeholders to communicate their views and concerns to the Board and Management.

Aside from environmental and social sustainability practices, the Group has adopted the Code of Conduct for Company Directors, the Whistleblowing Policy, and the Anti-Bribery and Corruption Policy to uphold high standards of governance practice across the Group and exercise zero tolerance against all forms of bribery and corruption. The codes and policies, which included in the Board Charter, are accessible to the public on the Company's website at www.harrisons.com.my.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Part II – Board Composition

4. Strengthen Board's Objectivity

4.1 Board Composition

As at the date of this statement, the Board has six (6) members, comprising one (1) Executive Director, three (3) Non-Independent Non-Executive Directors and two (2) Independent Non- Executive Directors.

The present composition of the Board is in compliance with Paragraph 15.02 of the MMLR that requires at least two (2) or one-third (1/3) of the Board, whichever is the higher, are Independent Directors.

The Board deems that its composition is appropriate in terms of its membership and size as there is a good mix of skills and experience in the Board membership and no imbalance in power and authority. The Directors, with their differing backgrounds and specialisations, collectively bring with them a wide range of business, commercial and financial and legal knowledge, expertise and skills essential in the management and direction of the Group with regional presence.

The profile of the Directors is set out in this Annual Report.

4.2 Independent Non-Executive Director

The presence of Independent Non-Executive Directors provides a pivotal role in corporate accountability. The role of the Independent Non-Executive Directors is particularly important as they provide independent and objective views, advice and judgement and ensure strategies proposed by the CEO and Management are thoroughly discussed and evaluated, and that the long-term interests of the Group and stakeholders are considered. The Independent Non-Executive Directors do not participate in the operation of the Group in order to uphold their objectivity and fulfil their responsibility to provide check and balance to the Board. Two (2) out of the five (5) Non-Executive Directors are Independent Directors and are able to express their views without any constraint. This strengthens the Board, whereby independent views are expressed and taken into consideration before any decisions are made.

4.3 Tenure of Independent Director

The Board takes note that the MCCG 2021 recommends that the tenure of an Independent Non-Executive Director shall not exceed accumulative term of nine (9) years unless shareholders' approval is obtained to retain such Director as an Independent Non-Executive Director through a two-tier voting.

The Board on the review and recommendation made by the Nomination Committee is unanimous in its opinion that all the Independent Directors have fulfilled the criteria under the definition of an Independent Director as set out under Paragraph 1.01 of the MMLR of Bursa Securities. The Independent Directors have also declared their independence to the Board under the annual Board evaluation process during the financial year 2025.

The Board believed that the independence of Independent Non-Executive Directors remained unimpaired and their judgment over business dealings of the Company was not influenced by the interest of the other Directors or Substantial Shareholders.

As of to-date, none of the Independent Non-Executive Director has exceeded a cumulative term of nine (9) years as at the date of this Statement.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

4.4 Policy of Independent Director's Tenure

The Board has adopted a nine-year policy for Independent Non-Executive Directors. An Independent Non-Executive Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. Otherwise, the Board will justify its decision and seek shareholders' approval through a two-tier voting process at the AGM, in the event the Director is to be retained as an Independent Non-Executive Director.

4.5 Diverse Board and Senior Management Team

The Company has adopted a Board Diversity Policy and strictly adhered to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, which includes the selection of Board members. The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Company.

The Group shall endeavour to meet the diversity goals at the senior management level and the composition of the Key Senior Management of the Group comprises a mixture of both genders.

4.6 Gender Diversity

The Board acknowledges the importance of boardroom diversity and the practice of the MCCG 2021 pertaining to the establishment of a gender diversity policy.

The Board had established the Boardroom Diversity Policy as set out in Appendix VI of the Board Charter of the Company, which is available on the Company's website.

The Company has one (1) female director for the time being and will endeavour to achieve 30% female director. Nonetheless, the Company will endeavour to achieve a higher target through progressive refreshing of the Board.

4.7 Identification of New Candidates for Appointment of Directors

The Nomination Committee is responsible for identifying and recommending suitable candidates for Board membership proposed by the Management or any Director or Shareholder, taking into consideration the candidates' skills, knowledge, expertise, experience, age, time commitment, character, cultural background and gender based on the Fit & Proper Policy of the Company.

The Board will have the ultimate responsibility and final decision on the appointment. This process shall ensure that the Board membership accurately reflects the long-term strategic direction and needs of the Company and determines skills matrix to support strategic direction and needs of the Company.

In identifying candidates for appointment of directors, the Board does not solely rely on recommendations from existing directors, management or major shareholders. The Board utilises independent sources to identify suitably qualified candidates. If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nomination Committee would assess and provide an explanation on why these source(s) are sufficient and other sources were not considered.

The Nomination Committee had reviewed the qualification, skills, experience and fit and proper criteria of the proposed candidate, Mr Chen Ying Zhong, Freddy, nominated by an existing director, and recommended his appointment to the Board. The Board endorsed its recommendation for the said appointment. Mr Chen Ying Zhong, Freddy was appointed as a Non-Independent Non-Executive Director of the Company on 22 September 2025.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

4.8 Nomination Committee

The Nomination Committee is established to identify, assess and recommend new nominees to the Board and evaluate annually the performance of all Board members. It assists the Board in reviewing the required mix of expertise, skills, experience, qualifications and assesses the effectiveness of the Board as a whole, tenure and the contribution of each individual Director. There were three (3) meetings held in the financial year under review.

The Board, through the Nomination Committee, assesses the independence of Independent Directors annually. The criteria for assessing the independence of an Independent Director include the relationship between the Independent Director and the Company and his involvement in any significant transaction with the Company.

The Nomination Committee has reviewed the independence and performance of the Independent Directors and is satisfied that they have been able to discharge their responsibilities in an independent manner.

Based on the above assessment in 2025, the Board is generally satisfied with the level of independence demonstrated by all the Independent Directors, and their ability to bring independent and objective judgment to Board deliberations.

The terms of reference of the Nomination Committee outlining the composition, proceeding of meetings, authority and duties and responsibilities is available on the Company's website.

The Nomination Committee comprises wholly Non-Executive Directors of which majority are Independent Directors and the members are as follows:-

No.	Name of Directors	Designation
1.	Mr Felix Leong (Chairman)	Senior Independent Non-Executive Director
2.	Mr Pandjijono Adijanto (Member) ⁽ⁱ⁾	Non-Independent Non-Executive Director
3.	Datuk Lim Tong Lee (Member)	Independent Non-Executive Director
4.	Ms Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto) ⁽ⁱⁱ⁾	Non-Independent Non-Executive Director

Notes :

⁽ⁱ⁾ Mr Pandjijono Adijanto ceased to serve as a member of Nomination Committee on 20 June 2025.

⁽ⁱⁱ⁾ Ms Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto) appointed as a member of Nomination Committee on 20 June 2025.

The Nomination Committee has assessed and is satisfied with the current size of the Board, and with the mix of qualifications, skills and experience among the Board members.

For the financial year ended 31 December 2025, the Nomination Committee had conducted three (3) meetings and has discharged its duties as below:-

- Reviewed and assessed annual assessment of the performance and effectiveness of the Board as a whole, the committee of the Board, contribution of each individual director;
- Reviewed the Board structure, size, composition and the balance between Executive Directors, Non-Executive Directors and Independent Directors to ensure that the Board has the appropriate mix of skills and experience including core competencies which Directors should bring to the Board and other qualities to function effectively and efficiently;
- Reviewed and assessed the level of financial literacy of the Audit Committee members;
- Reviewed and assessed the independence of Independent Non-Executive Directors;



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

- Discussed the annual retirement by rotation and re-election of Directors at the forthcoming AGM and recommended the same for re-election by shareholders;
- Reviewed the performance of the Chief Financial Officer;
- Evaluated training needs of Directors and noted the training programmes attended by Directors;
- Reviewed the terms of office of the Audit Committee and each member of the Audit Committee;
- Reviewed and assessed the appointment of new director;
- Reviewed and assessed the appointment of new Board Committee members; and
- Reviewed the service contract of Chief Executive Officer.

5. Overall Board Effectiveness

5.1 Annual Evaluation

The Board reviews and evaluates its own performance and the performance of its Committees on an annual basis. The Board evaluation comprises a Board Assessment, an Individual Assessment and an Assessment of Independence of Independent Directors.

The assessment of the Board is based on specific criteria, covering areas such as the Board operations, stakeholder relationship, and roles and responsibilities of the Board and the Board Committees and the Chairman's role and responsibilities. For Individual Director Assessment, the assessment criteria include areas of contribution and interaction with peers, quality of inputs, and understanding of role and independence of Independent Directors.

The results of the assessment would form the basis of the Nomination Committee's recommendation to the Board for the re-election of Directors at the next AGM.

Based on the annual assessment conducted for financial year ended 2025, the Nomination Committee was satisfied with the existing Board composition and was of the view that all Directors and Board Committees of the Company had discharged their responsibilities in a commendable manner and has performed competently and effectively.

To further discharge its duties, the Nomination Committee had assessed the performance of the CFO through a performance evaluation form completed by the CFO.

5.2 Re-election of Retiring Directors

In accordance with the Company's Constitution, one third (1/3) of the Directors are subject to retirement by rotation annually and all Directors shall retire from office once at least every three years.

The Directors to retire each year are the Directors who have been longest in office since their last appointment on re-election. The Directors appointed during the financial year are subject to retirement at the next AGM held following their appointments in accordance with the Company's Constitution. All retiring Directors are eligible for re-election.

The Board makes recommendations concerning the re-election, re-appointment and the continuation in office of any Director for shareholders' approval at the next AGM.

The Nomination Committee has considered the assessment of Mr Chang Kon Sang and Datuk Lim Tong Lee, the Directors who are standing for re-election pursuant to Clause 97 of the Company's Constitution and collectively agreed that they meet the criteria of character, experience, integrity, competence and time to effectively discharge their roles as Directors.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

In addition, Mr Chen Ying Zhong, Freddy, who was appointed to the Board on 22 September 2025 will retire pursuant to Clause 104 of the Constitution and being eligible, he has offered himself for re-election, and the Nomination Committee has assessed his suitability and collectively agreed that he meet the criteria of character, experience, integrity, competence and time to effectively discharge his roles as Director.

Accordingly, the Board is recommending that shareholders re-elect Mr. Chang Kon Sang, Datuk Lim Tong Lee, and Mr. Chen Ying Zhong, Freddy as Directors at the forthcoming Annual General Meeting.

5.3 Board Commitment

The Directors are aware of the time commitment expected from them to attend to matters of the Group in general, including attendance at meetings of the Board and Board Committees and other types of meeting. The Board and Board Committee meetings for each financial year are scheduled in advance for Directors to plan their schedule ahead.

The attendance record of the Directors at Board and Board Committee meetings during the financial year under review is set out as follows:-

Meeting Attendance	Board	Audit Committee	Nomination Committee	Remuneration Committee	Risk Management & Sustainability Committee
Mr Pandjijono Adijanto ⁽ⁱ⁾	3/3	-	2/2	1/1	-
Mr Wong Yoke Kong	5/5	5/5	-	-	5/5
Mr Chang Kon Sang	5/5	-	-	-	-
Ms Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto) ⁽ⁱⁱ⁾	4/5	-	-	-	-
Mr Felix Leong	5/5	5/5	3/3	2/2	5/5
Datuk Lim Tong Lee	5/5	5/5	3/3	2/2	5/5
Mr Chen Ying Zhong, Freddy ⁽ⁱⁱⁱ⁾	1/1	-	-	1/1	-

Notes :

- ⁽ⁱ⁾ Mr Pandjijono Adijanto retired as a Director of the Company on 20 June 2025, and accordingly ceased to serve as a member of the Nomination Committee and as Chairman of the Remuneration Committee.
- ⁽ⁱⁱ⁾ Ms Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto) was appointed as a member of the Nomination Committee and as Chairman of Remuneration Committee on 20 June 2025. She subsequently ceased to serve as Chairman of Remuneration Committee on 22 September 2025
- ⁽ⁱⁱⁱ⁾ Mr Chen Ying Zhong, Freddy was appointed as a Director of the Company on 22 September 2025, and concurrently appointed as a Chairman of the Remuneration Committee.

5.4 Overall Board Effectiveness

All the Directors have complied with the minimum attendance requirements as stipulated in the MMLR of Bursa Securities during the financial year.

To ensure that the Directors have the time to focus and fulfil their roles and responsibilities effectively, the Directors must not hold directorships at more than five (5) public listed companies and shall notify the Chairman before accepting any new directorship.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

5.5 Directors' Training

During the financial year ended 31 December 2025, all the Directors have attended the following training, seminars, conferences and exhibitions which they considered vital in keeping abreast with changes in laws and regulation, business environment, and corporate governance development:

No.	Name of Director	Course Attended	Conducted by
1.	Mr Pandjijono Adijanto ⁽ⁱ⁾	<ul style="list-style-type: none"> UBS Mid-Year Outlook 2025 	<ul style="list-style-type: none"> UBS AG Singapore
2.	Ms Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto)	<ul style="list-style-type: none"> Mastering Stamp Duty In Malaysia: Compliance, Updates & Practical Insights 	<ul style="list-style-type: none"> Crowe CPE Sdn Bhd
3.	Mr Chang Kon Sang	<ul style="list-style-type: none"> Transfer Pricing & Tax Corporate Governance Mastering Stamp Duty In Malaysia: Compliance, Updates & Practical Insights 	<ul style="list-style-type: none"> Inland Revenue Board of Malaysia Crowe CPE Sdn Bhd
3.	Mr Wong Yoke Kong	<ul style="list-style-type: none"> Transfer Pricing & Tax Corporate Governance Mastering Stamp Duty In Malaysia: Compliance, Updates & Practical Insights 	<ul style="list-style-type: none"> Inland Revenue Board Of Malaysia Crowe CPE Sdn Bhd
4.	Mr Felix Leong	<ul style="list-style-type: none"> Enhance Conflict of Interest & Disclosure Obligations Mastering Stamp Duty In Malaysia: Compliance, Updates & Practical Insights The Audit Oversight Board's Conversation with Audit Committees - Navigating the National Sustainability 	<ul style="list-style-type: none"> Minority Shareholders Watch Group Crowe CPE Sdn Bhd AOB (Securities Commission Malaysia) / PricewaterhouseCooper
5.	Datuk Lim Tong Lee	<ul style="list-style-type: none"> Transfer Pricing & Tax Corporate Governance Mastering Stamp Duty In Malaysia: Compliance, Updates & Practical Insights Money Security - How PIDM protects you 	<ul style="list-style-type: none"> Inland Revenue Board Of Malaysia Crowe CPE Sdn Bhd Malaysian Institute of Accountants
6.	Mr Chen Ying Zhong, Freddy ⁽ⁱⁱ⁾	<ul style="list-style-type: none"> Mandatory Accreditation Programme (MAP Part I) Mandatory Accreditation Programme Part II: Leading for Impact (LIP) Mastering Stamp Duty In Malaysia: Compliance, Updates & Practical Insights UBS Mid-Year Outlook 2025 	<ul style="list-style-type: none"> Bursa Malaysia Bursa Malaysia Crowe CPE Sdn Bhd UBS AG Singapore

Notes :

⁽ⁱ⁾ Mr Pandjijono Adijanto retired as a Director of the Company on 20 June 2025.

⁽ⁱⁱ⁾ Mr Chen Ying Zhong, Freddy was appointed as a Director of the Company on 22 September 2025.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The Company will continue to identify suitable training for the Directors to equip and update themselves with the necessary knowledge in discharging their duties and responsibilities as Directors.

The Directors are encouraged to attend briefing, conferences, forums, trade fairs (locally and internationally), seminars and training to keep abreast with the latest developments in the industry and to enhance their skills and knowledge.

Part III - Remuneration

6. Level and Composition of Remuneration

6.1 Remuneration Policy

The Remuneration Committee and the Board ensure that the Company's remuneration policy remains supportive of the Company's corporate objectives and is aligned with the interest of shareholders, and further that the remuneration packages of Directors and key senior management officers are sufficiently attractive to attract and retain persons of high calibre.

The Board has adopted policies and procedures to determine the remuneration of Directors and Senior Management in line with the business strategy and long-term objectives of the Group.

The remuneration policy which was incorporated into the Board Charter of the Company and the terms of reference of the Remuneration Committee are available on the Company's website.

The Remuneration Committee reviews annually the Directors' Fee (including Non-Executive Directors) for recommendation and approval by the Board. The Directors' remuneration payable to the Non-Executive Directors will be tabled at the AGM for approval by shareholders.

The Remuneration Committee comprises wholly Non-Executive Directors as below, of which majority are Independent Directors:-

No.	Name of Directors	Designation
1.	Mr Pandjijono Adijanto (Chairman) ⁽ⁱ⁾	Non-Independent Non-Executive Director
2.	Ms Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto) ⁽ⁱⁱ⁾	Non-Independent Non-Executive Director
3.	Mr Chen Ying Zhong, Freddy (Chairman) ⁽ⁱⁱⁱ⁾	Non-Independent Non-Executive Director
4.	Mr Felix Leong (Member)	Senior Independent Non-Executive Director
5.	Datuk Lim Tong Lee (Member)	Independent Non-Executive Director

Notes :

- ⁽ⁱ⁾ Mr Pandjijono Adijanto retired as a Director of the Company on 20 June 2025, and accordingly ceased to serve as Chairman of the Remuneration Committee.
- ⁽ⁱⁱ⁾ Ms Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto) was appointed as Chairman of Remuneration Committee on 20 June 2025. She subsequently ceased to serve as Chairman of Remuneration Committee on 22 September 2025
- ⁽ⁱⁱⁱ⁾ Mr Chen Ying Zhong, Freddy was appointed as a Director of the Company on 22 September 2025, and concurrently appointed as Chairman of the Remuneration Committee.

The Remuneration Committee reviews the remuneration policy each year with a view to ensuring it is fair and able to attract and retain talent who can add value to the Group. The Non-Executive Directors' fees are tabled at the Company's AGM for approval.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

7.1 Detailed Disclosure of Directors' Remuneration

The details of the Directors' remuneration comprising remuneration received and/or receivable from the Company and its subsidiaries in the financial year ended 31 December 2025 are as follows:

COMPANY

	RM'000		
	Fees/ Emoluments/ Salary	Allowances (inclusive of defined contribution plan)	Total
Non-Executive Directors			
• Pandjijono Adijanto ⁽ⁱ⁾	74	2	76
• Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto)	82	2	84
• Wong Yoke Kong	126	3	129
• Felix Leong	91	2	93
• Datuk Lim Tong Lee	91	2	93
• Chen Ying Zhong, Freddy ⁽ⁱⁱ⁾	25	1	26
Total	489	12	501

GROUP

	RM'000					
	Salary (inclusive of defined contribution plan)	Fees	Bonus (inclusive of defined contribution plan)	Allowances	Benefits- In-Kind	Total
Executive Director						
• Chang Kon Sang	700	-	816	20	35	1,571
Non-Executive Directors						
• Pandjijono Adijanto ⁽ⁱ⁾	-	74	-	2	-	76
• Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto)	-	82	-	2	-	84
• Wong Yoke Kong	-	126	-	3	-	129
• Felix Leong	-	91	-	2	-	93
• Datuk Lim Tong Lee	-	91	-	2	-	93
• Chen Ying Zhong, Freddy ⁽ⁱⁱ⁾	116	25	-	1	-	142
Total	816	489	816	32	35	2,188

Notes :

⁽ⁱ⁾ Mr Pandjijono Adijanto retired as a Director of the Company on 20 June 2025.

⁽ⁱⁱ⁾ Mr Chen Ying Zhong, Freddy was appointed as a Director of the Company on 22 September 2025.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

7.2 Remuneration of Top Senior Management and Non-Executive Directors

The details of the aggregate remuneration of the top 5 Senior Management staff and 5 Non-Executive Directors of the Company (comprising remuneration received and/or receivable from the Company and its subsidiaries) during the financial year ended 31 December 2025 are categorised as follows :

Key Management Personnel	Group (RM'000)	Company (RM'000)
Fees and allowances	730	501
Salaries and bonuses ^[1]	4,142	-
Employee Provided Fund	744	-
Benefits-in-kind ^[2]	122	-
Total	5,738	501

Notes :

[1] Salaries and bonuses comprised basic salary, bonus, allowance and SOCSO.

[2] Benefits-in-kind comprised provision of company motor vehicles and petrol.

The number of Senior Management staff whose total remuneration falls within the following bands are as follows:

Remuneration Range (RM)	Number of Senior Management staff
Between 550,001 to 600,000	1
Between 900,001 to 950,000	2
Between 1,100,001 to 1,150,000	1
Between 1,550,001 to 1,600,000	1

The Board acknowledges the need for transparency in the disclosure of its key Senior Management remuneration. However, the Board is of the opinion that the disclosure of remuneration details may be detrimental to its business interests, given the competitive landscape for key personnel with the requisite knowledge, technical expertise and working experience in the Group's business activities, where intense headhunting is a common industry challenge. Accordingly, such disclosure of specific remuneration information may give rise to recruitment and talent retention issues.

In addition, the Board is of the view that the interest of the shareholders will not be prejudiced as a result of such non-disclosure of the top five Senior Management personnel who are not Directors.

Principle B: Effective Audit and Risk Management

Part I – Audit Committee

8. Audit Committee

The Audit Committee is relied upon by the Board to, amongst 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 situation. The Audit Committee also undertakes to provide oversight on the risk management framework of the Group.

The Audit Committee is chaired by an Independent Non-Executive Director who is distinct from the Chairman of the Board and all members of the AC are financially literate.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The composition of the Audit Committee, including its roles and responsibilities as well as a summary of its activities carried out in the financial year ended 31 December 2025, are set out on the pages 66 to 70 of this Annual Report.

8.1 Financial Reporting

The Board aims to provide true, fair and comprehensive financial reporting of the Group's performance in the audited financial statements and quarterly financial reports together with material disclosures in the notes to accounts, in accordance with the Malaysia Financial Reporting Standards ("MFRS") and MMLR of Bursa Securities.

The Audit Committee exercises professional oversight of the integrity of the financial reports before presenting the financial statements to the Board for approval. The Audit Committee also provides assurance to the Board, with support and clarifications from the External Auditors that all the statutory financial statements and reports presented are in compliance with applicable laws and accounting standards and give a true and fair view of the Group's performance and financial position. The Audit Committee has also reviewed the provision of non-audit services by the External Auditors during the year and concluded that the provision of these services did not compromise the External Auditors' independence.

8.2 Transparency and Professional relationship with the external auditors

The Audit Committee has incorporated a term in its Term of Reference of Audit Committee that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee.

The Audit Committee 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 terms of engagement for services provided by the External Auditors are reviewed by the Audit Committee prior to submission to the Board for approval. Feedback based on the assessment areas is obtained from the Audit Committee, the CFO, the Internal Auditor and Senior Management.

The Audit Committee undertakes an annual assessment of the suitability and independence of the External Auditors in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants ("MIA"). Under this policy, only non-audit services that are able to provide clear efficiencies and value-added benefits to the Group and do not impede the External Auditors' audit work will be accepted by the Audit Committee.

On the other hand, the Audit Committee also seeks written assurance from the External Auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the MIA. The External Auditors provide such a declaration in their annual audit plan, presented to the Audit Committee prior to the commencement of the audit for a particular financial year.

In this regard, the Audit Committee had, on 25 February 2026, assessed the independence of Messrs PricewaterhouseCoopers PLT ("PwC") as External Auditors of the Company and reviewed the level of non-audit services rendered by PwC to the Company for the financial year ended 31 December 2025. The AC was satisfied with PwC's technical competency and audit independence and took note of the quantum of non-audit fees charged thereto. Details of statutory audit, audit-related and non-audit fees paid/ payable in the financial year ended 31 December 2025 to the External Auditors are set out in the Additional Compliance Information of this Annual Report.

The Audit Committee, having satisfied with the performance and fulfilment of criteria as set out in the Non-Audit Services Policy as well as received the assurance from PwC as stated above, recommended the reappointment of PwC as the External Auditors to the Board, upon which the shareholders' approval will be sought at the forthcoming AGM.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Part II – Risk Management and Internal Control Framework

9. Risk Management and Internal Control Framework

The Board oversees reviews and monitors the operation, adequacy and effectiveness of the Group's system of internal controls through the Risk Management & Sustainability Committee. The Risk Management & Sustainability Committee defines the level of risk appetite, approving and overseeing the operation of the Group's Risk Management Framework, assessing its effectiveness and reviewing any major/significant risk faced by the Group.

The Risk Management & Sustainability Committee is governed by the terms of reference which outlines its scope, duties and responsibilities. The membership of the Risk Management & Sustainability Committee is stated in the Corporate Information of this Annual Report. The terms of reference of the Risk Management & Sustainability Committee is available for viewing at the corporate website at www.harrisons.com.my.

During the financial year ended 31 December 2025, five (5) Risk Management & Sustainability Committee meetings were held. The activities carried out by the Risk Management & Sustainability Committee were as follows:

1. Reviewed the identified key risks and the controls in place to mitigate the risks; and
2. Reviewed and discussed the Risk Assessment and Assurances Reports of the Company and its subsidiaries.

Details of the main features of the Company's risk management and internal controls framework are further elaborated in the Statement on Risk Management and Internal Control.

10. Governance, Risk Management and Internal Control Framework

Relevant Internal Control Systems are implemented for the day-to-day operations of the Group. The Internal Audit Department has an independent reporting channel to the Audit Committee and is authorised to conduct independent audits of all the departments and offices within the Group and reports the findings to the Audit Committee at the end of each quarter.

The Audit Committee reviews, deliberates and decides on the next course of action and evaluates the effectiveness and efficiency of the Internal Control Systems in the organisation.

The Internal Control Systems are designed to manage and mitigate rather than eliminate the risk of failure in achieving the Group's corporate objectives and safeguarding the Group's assets as well as investors' interests.

During the financial year under review, the Internal Auditors have conducted review on the Group in accordance to the Internal Audit Plans, which have been approved by the Audit Committee and Board. The Internal Auditors will perform quarterly testing of the internal control systems to ensure that the system is robust.

The Statement on Risk Management and Internal Control as included on the page 61 of the 2025 Annual Report provides an overview of the internal control framework adopted by the Company during the financial year ended 31 December 2025.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Part I – Communication with Stakeholders

11. Continuous Communication Between Company and Stakeholders

The Board recognises the importance of being transparent and accountable to the Company's stakeholders and as such has various channels to maintain communication with them. The annual report, quarterly announcements on financial results, relevant announcements on the Group's business and activities, as well as the Company's website are the primary mode of communication to all its stakeholders.

The Company is committed to upholding high standards of transparency and promotion of investor confidence through the provision of comprehensive, accurate and quality information on a timely and even basis.

The Company's website, www.harrisons.com.my is established for the shareholders and stakeholders to access information regarding the Group. Information on the website includes amongst others the Group's corporate structure, main business activities and announcements to Bursa Securities.

Part II – Conduct of General Meetings

12. Shareholder Participation at General Meetings

The AGM is the principal forum for dialogue and interaction with the shareholders of the Company. The Company values feedback from its shareholders and therefore, encourages shareholders to attend and participate in the general meeting to raise questions pertaining to issues in the Annual Report, corporate developments in the Group, the resolutions being proposed and the business of the Group at the AGM.

In order to encourage shareholders' participation at the AGM, the Company sends out the notice of AGM at least 28 days to allow sufficient time for shareholders to make arrangements to attend either in person, by corporate representative, proxy or attorney.

All the Directors shall endeavour to present in person to engage directly with and be accountable to the shareholders for their stewardship of the Company at the AGM. During the AGM, the Board encourages shareholders' participation in deliberating resolutions being proposed or on the Group's operation in general. The Directors, CFO and External Auditors will be in attendance to respond to the shareholders' queries.

The 35th AGM was held on 20 June 2025 and afforded an opportunity to the shareholders to participate and vote at the AGM (including submitting questions directly to the Board both prior to and during the AGM). All the Directors, External Auditors and Senior Management attended the said AGM online and responded to questions raised by shareholders.

The Minutes of the 35th AGM was made available on the Company's website.

Compliance Statement

During the year under review, the Board directed its focus on the core duties of the Board which is grounded on the creation of long-term value for stakeholders. In light of the improvements in the corporate governance regulations, the Board has reviewed and updated (if necessary) its existing board charter, policies and procedures, etc.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Moving forward, the Board will continue to operationalise and improve the Company's corporate governance practices and instil a risk and governance awareness culture and mindset throughout the organisation in the best interest of all stakeholders.

As at the date of this statement, the Board is satisfied with the current composition of the Board by comprising two (2) Independent Non-Executive Directors, three (3) Non-Independent Non-Executive Directors and one (1) Executive Director and believed that the existing composition enable efficient corporate/board decisions to be made amongst the Board members.

The current Non-Independent Non-Executive Chairman, Mr Wong Yoke Kong is appropriate for the role with his abundant experience and knowledge can provide constructive advice and guidance to the Board and Management without compromising the balance of power and authority amongst the Board.

The Board is satisfied and assured that no individual or group of Directors has unfettered powers of decision that could create a potential conflict of interest. The Board has also demonstrated their independence and is free from any businesses or other relationships which may interfere with the exercise of their independent judgement.

This Corporate Governance Overview Statement was approved by the Board on 15 April 2026.

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OTHER DISCLOSURES

1. UTILISATION OF PROCEEDS

There were no proceeds raised from any corporate exercise during the financial year.

2. AUDIT AND NON-AUDIT FEES

The auditors' remuneration including non-audit fees for the Company and the Group for the financial year ended 31 December 2025 are as follows:-

Details of Audit Fees	Group (RM'000)	Company (RM'000)
- Audit Fees	1,019	268
- Non-Audit Fee	100	13
Total	1,119	281

3. MATERIAL CONTRACTS INVOLVING DIRECTORS OR CHIEF EXECUTIVE WHO IS NOT A DIRECTOR AND MAJOR SHAREHOLDERS' INTEREST

There was no material contracts entered into by the Company and its subsidiaries which involved the interest of Directors or Chief Executive who is not a Director or Major Shareholders subsisting at the end of the financial year ended 31 December 2025.

4. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE ("RRPT")

There was no Shareholders' Mandate obtained in respect of RRPT during the financial year. However, details of transactions with related parties undertaken by the Group during the financial year are disclosed in Note 29 of the Financial Statements.

5. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MMLR of the Bursa Securities, 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

	Remarks	2025 RM'000	2024 RM'000
Revenue		2,215,902	2,173,942
Other income		2,703	2,654
Interest/Finance income		2,681	2,796
Total Income		2,221,286	2,179,392
Total Assets		991,741	974,727



OTHER DISCLOSURES (CONT'D)

(b) Business Activities

	Remarks	2025 RM'000	2024 RM'000
Shariah Non-Compliant Activities			
Liquor/ alcoholic beverages and related products and activities		194,085	204,391
Pork, non-halal food and related products and activities		9,181	8,213
Insurance services		106	103
Rental income received from tenant involved in Shariah non-compliant activities		471	471
Interest income		2,585	2,695
Income from disposal of Shariah non-compliant investments/instruments		47	61
Dividend income received from conventional instruments		1,303	1,166
Total		207,778	217,100

(c) Component of Financial Position

	Remarks	2025 RM'000	2024 RM'000
(i) Cash component			
Islamic account			
Cash and bank balances (exclude cash in hand)		1,811	1,742
Conventional account			
Deposits with licensed banks		61,977	20,154
Cash and bank balances (exclude cash in hand)		99,571	100,828
Other cash equivalents	Cash in hand	111	118
Total Cash		163,470	122,842
(ii) Debt component			
Islamic financing			
Current			
Bank overdrafts		104	-
Bankers' acceptance		22,058	23,250
Non-current			
Revolving credits		8,900	-
Total Financing		31,062	23,250
Conventional borrowing			
Current			
Bank overdrafts		-	698
Bankers' acceptance		142,935	152,147
Non-current			
Revolving credits		-	-
Total Debt		142,935	152,845



STATEMENT OF DIRECTORS' RESPONSIBILITY

IN RESPECT OF THE PREPARATION OF THE AUDITED FINANCIAL STATEMENTS

The Directors are responsible to prepare the Audited Financial Statements which will 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 of the Group and of the Company for the financial year ended 31 December 2025.

In preparing those Audited Financial Statements, the Directors of the Company have:

- adopted suitable accounting policies and applied them consistently;
- made judgments and estimates that are prudent and reasonable;
- ensured applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for ensuring that proper accounting and other records are kept which enable the preparation of the financial statements with reasonable accuracy on the disclosure of the financial position of the Group and of the Company, and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2016 and the Malaysian Financial Reporting Standards.

The Directors are also responsible for taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and of the Company and hence, to prevent and detect fraud and other irregularities.

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STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is pleased to present its Statement on Risk Management and Internal Control which outlines the nature and scope of the risk management and internal control of the Group for the financial year ended 31 December 2025. This Statement has been prepared in accordance with Paragraph 15.26(b) of MMLR, Malaysian Code on Corporate Governance and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“the Guidelines”).

BOARD RESPONSIBILITY

The Board recognises the importance and is committed to maintain a sound system of internal control and effective risk management system within the Group and is responsible for reviewing its adequacy and effectiveness of the Group’s Risk Management and Internal Control Systems.

The Group’s systems of internal controls are designed to manage rather than to eliminate the risk of failure to achieve the business objectives. The Board continuously reviews the systems to ensure that the risk management and internal control systems provide a reasonable and not absolute assurance against material misstatement, loss or fraud.

The Board has via the Audit Committee obtained the necessary assurance on the adequacy and effectiveness of the Group’s Risk Management and Internal Control Systems.

RISK MANAGEMENT PROCESS

The Group has an ongoing process for identifying, evaluating and managing key risks in the context of its business objectives. These processes are embedded within the Group’s overall business operations and are guided by operational manuals, policies and procedures and are regularly reviewed by the Board.

The main operating subsidiaries have their own respective Risk Working Committee, which comprises the senior managers for the critical functions of the Group. The respective Risk Working Committee meets quarterly where possible to:

- review and update the risk register; and
- assess the risk status and employ mitigation action plans when needed.

The main operating subsidiaries’ reports are submitted quarterly and reviewed by the CEO and CFO and the significant risk, any changes and mitigation plans are highlighted and discussed at the Risk Management & Sustainability Committee, Audit Committee and Board meetings.

The Enterprise Risk Management process comprises:

(1) Risk Identification

All potential events that could adversely impact the achievement of business objectives including failure to capitalise on opportunities identified.

(2) Risk Evaluation

The identified risks are then assessed and analysed to determine the impact on the relevant business strategies/objectives and whether the risks are likely to occur:

- Possibility of the risk occurring; and
- Impact of the consequences on the relevant business strategies/objectives, taking into consideration, the degree of internal control and risk management measures in place.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

The Risk Register documents all identified risks, evaluation of the risk and action plans to mitigate and monitor the risk.

Likelihood	Low	Medium	High	Very High
Impact	Low	Medium	High	Very High

(3) Risk Mitigation

Risk Owners, who comprise, the Senior Managers and Heads of Departments of the respective main subsidiaries, are responsible for identifying the risks and developing action plans to mitigate these risks.

(4) Risk Monitoring

Ongoing monitoring of risk is conducted by each Risk Management & Sustainability Committee of the main subsidiaries quarterly to ascertain whether any conditions with a particular risk have changed and to ensure that actions and risk mitigation plans have been implemented. This is reported to the Risk Management & Sustainability Committee and Board quarterly.

(5) Risk Review

The risks are periodically reviewed to ensure that the policies and objectives remain relevant and effective under changing market and regulatory environment.

KEY RISKS

The Group views the following three (3) risks as being prevalent in the trading and distribution business that may significantly impact the Group's results:

- loss of distribution agencies;
- market return and trade spend; and
- trade credit extended to customers

Steps to anticipate and mitigate these three (3) key risks are an integral part of the Group Risk Management.

INTERNAL CONTROL MATTERS

During the financial year, some other weaknesses in internal control processes were identified. However, these weaknesses were not considered material, and had not materially impacted the business or the operations of the Group. Nevertheless, measures have been taken or are being taken by the Management to address these weaknesses.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL CONTROL PROCESS

The main features of the Group's Internal Control Systems established are summarised as follows:

- Organisation Structure

The Group maintains a defined organisation structure with clear lines of reporting and segregation of duties to ensure the Group achieves its strategies and objectives.

- Authorisation Procedures

The Group maintains a defined authority chart with clear authority limits and approval procedures. Delegation of authority including authorisation limits at various levels of management and those requiring Board's approval are documented and designed to ensure accountability and responsibility.

- Human Resource Structure

The Group adopts decentralised human resource functions that set out the procedures for recruitment, training and appraisal of the employees within the Group.

- Standard Operating Procedures

Documented standard operating policies and procedures are reviewed and updated, where applicable.

- Periodic Management Meeting

Regular meetings held at operational and management levels to identify and resolve operational and business matters. Deviation in targeted goals and corrective actions implemented where necessary are reported by the Heads of Department in the meetings.

- Insurance and Physical Safeguard

Adequate insurance and physical security of major assets are in place to ensure that the assets of the Group are sufficiently covered against any mishap that will result in material losses to the Group.

- Budget and Performance Review

A detailed budgeting process including a capital expenditure budget is completed for the year ahead and approved by the Board annually. Budgetary control for significant operations of the Group, where actual performance is closely monitored against budget to identify and address significant variances and enable corrective actions to be taken to improve the achievement towards the budgeted results and eventually the Group's business objectives as a whole.

- Financial Reporting Timeline

Financial and operational reports are generated timely for Management's review and action.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL AUDIT

The in-house Internal Audit function supports the Risk Management & Sustainability and Audit Committees and by extension, the Board, by providing reasonable independent appraisal of the adequacy and effectiveness of the internal control systems. The Internal Audit team concurrently plays a proactive role in facilitating operating companies in assessing their principal business risks and plans of actions to address these risks.

The Internal Auditor's role is to provide independent and objective reports on the Group Management's records, accounting policies and internal controls to Management, Risk Management & Sustainability Committee, Audit Committee and the Board. Upon completion of each audit, an internal audit report shall be generated and recommendations on weaknesses made are presented in the Risk Management & Sustainability Committee or Audit Committee Meeting to assist the Audit Committee in discharging its duties and responsibilities.

The Internal Audit Department undertakes Internal Audit functions based on the audit plan that is reviewed and approved by the Audit Committee. The audit plan covers review of adequacy of operational controls, risk management compliance with laws and regulations, quality of assets and management efficiency amongst others.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the Risk Management and Internal Control Systems of the Group.

BOARD ASSESSMENT

The Board is of the view that the Group's overall Risk Management and Internal Control Systems is operating adequately and effectively and has received the same assurances from the managing director of the main subsidiaries, the CEO and CFO. The assurance has been given based on the internal controls established and maintained by the Group, work performed and reports provided by the internal audit function, as well as reviews performed and confirmed by Risk Management and Sustainability Division.

The Board recognises the importance of maintaining a sound System of Risk Management and Internal Control and will continue to monitor all major risks affecting the Group and take the necessary measures to enhance adequacy and the effectiveness of the Risk Management and Internal Control System of the Group.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

CONCLUSION

Based on the review of the risk management process and internal control system, the results of the internal audit activities, the monitoring and review mechanism stipulated and with the assurance provided by the CEO and the CFO, the Board believes that, in the absence of any evidence to the contrary, the risk management process and internal control system are satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report throughout the financial year and up to and as of the date of this report.

The Board continues to take pertinent measures to sustain and, where required, improve the Group's risk management and internal control systems in meeting the Group's strategic objectives.

The Board is committed to maintaining effective risk management and internal control systems throughout the Group and, where necessary, putting in place appropriate plans to further enhance the Group's systems of internal control.

Notwithstanding this, the Board will continue to evaluate and manage the significant business risks faced by the Group in order to meet its business objectives in the current and challenging business environment.

This Statement was reviewed by the Audit Committee and approved by the Board on 15 April 2026.

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REPORT OF THE AUDIT COMMITTEE

The Board of Directors of Harrisons is pleased to present the Report of the Audit Committee for the financial year ended 31 December 2025.

A. COMPOSITION OF THE AUDIT COMMITTEE

As at the date of this Annual Report, the Audit Committee comprises the following Non-Executive Directors:-

No.	Name of Directors	Designation
1.	Mr Felix Leong (Chairman)	Senior Independent Non-Executive Director
2.	Mr Wong Yoke Kong (Member)	Non-Independent Non-Executive Director
3.	Datuk Lim Tong Lee (Member)	Independent Non-Executive Director

The composition of the Audit Committee complies with Paragraph 15.09 of the MMLR that all the Audit Committee members must be Non-Executive Directors, with a majority of them being Independent Directors. Datuk Lim Tong Lee, a member of the Audit Committee is a Chartered Accountant of the Malaysian Institute of Accountants, a Fellow Member of Association of Certified Accountants (ACCA) and a Certified Public Accountant of Malaysia Institute of Certified Public Accountants.

During the financial year, the Board, through the Nomination Committee has reviewed the term of office and assessed the performance of the Audit Committee. The Board is satisfied that the Audit Committee has discharged its duties in accordance with Terms of Reference.

B. MEETINGS

During the financial year, a total of five (5) meetings were held, and the details of attendance of the Audit Committee members are as follows:-

No.	Name of Directors	No. of Meetings attended
1.	Mr Wong Yoke Kong	5/5
2.	Mr Felix Leong	5/5
3.	Datuk Lim Tong Lee	5/5

The External Auditors attended three (3) Audit Committee meetings in 2025 to present their reports and findings in relation to the Audited Financial Statements for financial year ended 31 December 2025.

The Audit Committee also deliberated and voted on the written resolutions circulated to the Audit Committee together with detailed explanation, if any. Ample time was given to all Audit Committee members in order for them to make informed and constructive decisions.

The Audit Committee has full access to and co-operation from the Management. The Audit Committee also has full discretion to invite any Director or Management to attend its meetings and has been given adequate resources to discharge its functions.

The requirement for a former partner of the external audit firm of the Company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee is reflected into the Terms of Reference of Audit Committee. None of the Audit Committee members were former partners of the external audit firm of the Company within three (3) years preceding the financial year ended 31 December 2025.



REPORT OF THE AUDIT COMMITTEE (CONT'D)

C. SUMMARY OF WORKS OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR

The works carried out by the Audit Committee in discharging its duties and functions with respect to their responsibilities during the financial year were summarised as follows:

Financial Reporting

The Audit Committee reviewed the quarterly and annual financial statements required by Bursa Securities with the Management prior to making recommendation for the Board's approval. The review focused on changes in accounting policies and practices, major judgemental and risk areas, significant adjustments resulting from the audit, the going concern assumption, compliance with accounting standards, compliance with the MMLR and other legal requirements.

The Audit Committee keeps itself apprised of changes in accounting policies and guidelines through regular updates by the External Auditors.

External Audit

The Audit Committee discussed with the External Auditors the audit plan and scope of work for the Group, and the report on the audit of the year-end financial statements; reviewed audit findings and reservations arising from the audits, significant accounting issues and any matter the External Auditors may wish to discuss; reviewed the External Auditors' management letter and Management's responses thereto; and reviewed the External Auditors' objectivity and independence.

Significant matters requiring follow-up were highlighted for the reports by the External Auditors to the Audit Committee. In accordance with International Standards on Auditing, key audit matters which in the opinion of the external auditors were of most significance in their audit of the Annual Financial Statements were brought to the attention of the Audit Committee and highlighted and addressed by the External Auditors in their report.

In assessing independence, the Audit Committee has reviewed the audit fees, non-audit fees and expenses paid to the External Auditors during the year. The Audit Committee is of the opinion that the Auditors' independence has not been compromised based on the confirmation provided by the External Auditors.

During the financial year, two (2) private sessions were held between the Audit Committee and the External Auditors without the presence of any Executive Directors and the Management to discuss any issue arising from the audit. There were no areas of concern that warranted escalation to the Board.

Internal Audit

The Audit Committee reviewed with the Internal Auditors the internal audit reports and monitored/ followed-up on the remedial action; reviewed the corrective actions taken by the Management in addressing and resolving issues as well as ensuring that all key issues were adequately address on timely basis; and ensured the adequacy of the independence, competency and resource sufficiency of the Internal Audit function.

Related Party Transactions

The Audit Committee reviewed all significant related party transactions and recurrent related party transactions entered into by the Group and the Company to ensure that such transactions are undertaken at arm's length basis on normal commercial terms which are not detrimental to the interests of the minority shareholders of the Company and the internal control procedures employed are both sufficient and effective before recommending to the Board for approval.



REPORT OF THE AUDIT COMMITTEE (CONT'D)

Conflict of Interest

The Audit Committee reviewed all the conflict of interest or potential conflict of interest's declarations (excluding a related party transaction) made by the respective persons as at the financial year ended under review and concluded that sufficient disclosure of all conflict of interest or potential conflict of interest (excluding a related party transaction) had been made and documented and the Audit Committee is satisfied save for those recurrent or related party transactions that had been disclosed earlier, there were no other conflict of interest or potential conflict of interest noted during the financial year under review.

Whistleblowing and Fraud

The Audit Committee reviewed the Company's arrangements that allow employees to confidentially raise concerns about potential wrongdoing in financial reporting or other matters. They ensured that these arrangements facilitate proportionate and independent investigations of such issues, as well as appropriate follow-up actions. Additionally, the Committee assessed the Company's procedures for detecting fraud and worked to raise employee awareness about these matters.

Annual Reporting

The Audit Committee reviewed and recommended the Statement on Risk Management and Internal Control and Audit Committee Report for inclusion in the Annual Report for financial year ended 31 December 2025 to the Board for approval.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The Terms of Reference of the Audit Committee, which outlines the composition, proceeding of meeting, authority and duties and responsibilities, is available on the Company's website. The Terms of Reference of the Audit Committee was last reviewed and revised on 28 February 2024.

INTERNAL AUDIT FUNCTION

Internal Audit Function

The group maintains an internal audit department ("IAD"), which is an independent appraisal function. Internal auditors are independent of the activities they audit.

The group IAD is a corporate member of the Institute of Internal Auditors Malaysia. The activities and processes of IAD are guided by Audit Charter and generally refer to the standards of the International Professional Practices Framework of the Institute of Internal Auditors.

The Head of Internal Audit is a member of the Institute of Internal Auditors Malaysia, Malaysian Institute of Accountants, and Association of Chartered Certified Accountants. The Head of IA is assisted by three internal auditors and has a functional reporting line to Audit Committee Chairman. All internal auditors have at least a relevant tertiary education and professional qualification.

The Audit Committee reviewed and approved the Internal Audit Plan for financial year ended 31 December 2025. IAD adopts a risk-based approach and by reference to risk management report submitted by subsidiaries in the development of its audit plan.

The group Internal Audit Department had covered operational audits and financial audits to branches in Sabah and Sarawak and one subsidiary in Peninsular Malaysia. There also involved providing advisory on compliance matters and assessed the adequacy and effectiveness of key internal controls to manage risks identified.



REPORT OF THE AUDIT COMMITTEE (CONT'D)

Summary of works performed by Internal Audit department

Internal Audit Activities 2025

The internal audit activities provided assurance that key financial, operational, and compliance controls are operating effectively. Risks relating to inventory management, receivables, expense recovery, workforce compliance, and regulatory obligations have been appropriately managed, with improvements implemented where necessary.

Key Highlights of Audit Activities

- **Inventory & Warehouse Controls**

- Physical existence of inventories verified; FIFO delivery basis validated; adequacy of insurance coverage assessed.
- Transaction review of stock inflows/outflows confirmed accuracy of permanent inventory post-Sarawak system migration.
- Warehouse visits conducted to assess fire prevention, maintenance, OSHA compliance, and spot checks on fire extinguishers expiry.
- Maintenance of warehouse facilities reviewed to minimize accident risks and operational disruptions.

- **Receivables & Payables Management**

- Credit risk exposure and documentation of trade receivables evaluated; timely resolution of past due debts achieved.
- Accounts receivable reporting accuracy confirmed during Sarawak system migration
- Creditor aging report reviewed; discrepancies noted with trial balance due to cross-branch/system issues and resolved.
- Aged balances for creditors and claim accounts reviewed to reduce misstatement risk and non-recovery.
- Claim accounts reviewed to ensure timely submission to reduce risk of rejection by principals.
- Intercompany balances reviewed to ensure consistency in consolidated financial reporting.

- **Expense & Provision Reviews**

- Logistics cost provisions reviewed and reclassified appropriately.
- Advertising fund provisions reviewed; long-aged balances written back to P&L.
- Legal costs reviewed for validity, support, and accurate recording.
- Staff leave provisions reviewed for compliance with accounting standards.

- **Revenue & Taxation**

- Deferred sundry revenue recognition from cost variance accounts reviewed for alignment with group accounting policy.
- Tax recoverable balances reviewed for accuracy, recoverability, and supporting documentation.



REPORT OF THE AUDIT COMMITTEE (CONT'D)

- **Workforce & Compliance**

- Staff costs and statutory deductions reviewed; group EPF policy standardized.
- Testing confirmed salesmen's compliance with new receipt submission policy.

- **Operational Controls & Fixed Assets**

- SOP enhancements in Shipping Department tested and strengthened.
- Fixed assets reviewed to ensure proper approval, tagging, and verification against physical assets.
- E-invoice compliance reviewed and confirmed.
- Conducted review and assessment of the process, focusing from goods receipt to liability recognition and costing, to identify potential delays or inefficiencies.

The operation cost incurred for the internal audit function of the Group in respect of the financial year ended 31 December 2025 amounted to RM916,000.

Further details of the internal audit function are set out in the Statement on Risk Management and Internal Control on page 61 of this Annual Report.

This Report of the Audit Committee was reviewed by the Audit Committee and approved by the Board on 15 April 2026.

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DIRECTORS' REPORT

The Directors are pleased to submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to date of the report are:

Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto)

Felix Leong

Wong Yoke Kong

Chang Kon Sang

Datuk Lim Tong Lee

Chen Ying Zhong, Freddy

Pandjijono Adijanto

(Appointed on 22 September 2025)

(Retired on 20 June 2025)

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group consist of marketing, sales and distribution of building materials, industrial and agricultural chemical products, liquor products, consumer goods, engineering and the operation of retail, shipping, insurance and travel agencies.

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

FINANCIAL RESULTS

	<u>Group</u> RM'000	<u>Company</u> RM'000
Profit for the financial year	43,140	24,389
Attributable to:		
Owners of the Company	42,586	24,389
Non-controlling interests	554	-
	<u>43,140</u>	<u>24,389</u>

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year.



DIRECTORS' REPORT (CONT'D)

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any shares or debentures for the financial year ended 31 December 2025.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits shown under Directors' remuneration disclosed in Note 9 to the financial statements) by reason of a contract made by the Company or by 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 that certain Directors and/or close members of the family may be deemed to have derived benefits by virtue of transactions conducted in the normal course of business between the companies in the Group and companies in which these Directors are deemed to have an interest (see Note 29 to the financial statements).

Neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangements whose object was 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.

DIVIDEND

Dividend declared and paid by the Company since the end of the previous financial year was as follows:

	RM'000
In respect of the financial year ended 31 December 2024, final dividend of RM0.065 per ordinary share paid on 18 August 2025	<u>22,255</u>

The Directors recommend the payment of a final dividend of RM0.065 per share, amounting to net dividend payment of RM22.3 million in respect of the financial year ended 31 December 2025, subject to the approval of the members at the forthcoming Annual General meeting of the Company.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its subsidiaries during the financial year except as follows:

	<u>Number of ordinary shares in the Company</u>			
	<u>At</u> <u>1.1.2025</u>	<u>Acquired</u>	<u>Disposed</u>	<u>At</u> <u>31.12.2025</u>
<u>Direct interest</u>				
Tan Phwe Leng				
(Tan Phe Lin @ Mariana Adijanto)	45,000	-	-	45,000
Wong Yoke Kong	845,000	-	-	845,000
<u>Indirect interest</u>				
Chen Ying Zhong, Freddy	962,000	-	-	962,000



DIRECTORS' REPORT (CONT'D)

DIRECTORS' REMUNERATION

The aggregate amount of emoluments received/receivable by Directors during the financial year is as follows:

	2025	
	<u>Group</u>	<u>Company</u>
	RM'000	RM'000
Fees and allowances	501	501
Salaries and other emoluments	1,423	-
Defined contribution plan	229	-
	<u>2,153</u>	<u>501</u>
Estimated monetary value of benefits-in-kind	<u>35</u>	<u>-</u>

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains a liability insurance for the Directors and Officers of the Group throughout the financial year, which provides appropriate insurance cover for the Directors and Officers of the Group. The total amount of any indemnity cover given by the Company to Directors against damages in the discharge of their duties is RM10 million collectively for all Directors. The amount of premium paid by the Company for all the Directors in 2025 was RM73,450.

DIRECTORS OF THE SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016, the list of Directors of the subsidiaries during the financial year and up to the date of this report and statement is as follows:

Ang Lian Wal	
Ang Wei Ping, Rachel	(Appointed on 1 December 2025)
Chan Jun Hao, David	
Chang Kon Sang	
Chin Chee Heun @ Nelson	
Chua Min Her	(Appointed on 26 January 2026)
Danny Lo Tuong Ming	
Ho Gee Leng	
Lim Hong Chin	
Lim Yong Keong	
Lo Chow Nyian	
Low Kong Choon	
Spencer Ho Kwang Beng	
Tee Chee Chiang	



DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report:
- (i) there are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and
 - (ii) there are no contingent liabilities in the Group and in the Company which have arisen since the end of the financial year.
- (d) No contingent or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company and its subsidiaries to meet their obligations when they fall due.
- (e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.
- (f) In the opinion of the Directors:
- (i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made.



DIRECTORS' REPORT (CONT'D)

SUBSIDIARIES

The details of the subsidiaries of the Group are as follows:

<u>Name of companies</u>	<u>Place of business/country of incorporation</u>	<u>Effective equity interest</u>		<u>Principal activities</u>
		<u>2025</u> %	<u>2024</u> %	
<u>Held directly by Harrisons Holdings (Malaysia) Berhad</u>				
Harrisons Peninsular Sdn. Bhd.	Malaysia	100	100	Marketing, sales and distribution of building materials, industrial and agricultural chemical products liquor products and the operation of shipping and insurance agencies
Harrisons Sabah Sdn. Bhd.	Malaysia	100	100	Marketing, sales and distribution of consumer, engineering, building and agricultural chemical products, operation of shipping and investment holding
Harrisons Sarawak Sdn. Bhd.	Malaysia	100	100	Marketing, sales and distribution of consumer, engineering, building and agricultural chemical products, operation of shipping and investment holding
Harrisons Marketing & Services Sdn. Bhd.	Malaysia	100	100	Trading of consumer products
Jantoco Realty Sdn. Bhd.	Malaysia	100	100	Letting out property and collection of rental from the property, to act as property manager and adviser, and to carry on the business of an investment holding company
Harrisons Corporate Services Sdn. Bhd.	Malaysia	100	100	Provision of management services
Valore Ventures Pte. Ltd.	Singapore	100	-	Other specialised office support activities
<u>Subsidiaries of Harrisons Peninsular Sdn. Bhd.</u>				
J. Whyte (Malaysia) Sdn. Bhd.	Malaysia	100	100	Letting of property and related services
Watts Harrisons Sdn. Bhd.	Malaysia	100	100	Winding up
Famous Foods Company Pte. Ltd.	Singapore	72	72	Investment holding
The Famous Amos Chocolate Chip Cookie Singapore Pte. Ltd.	Singapore	72	72	Manufacturing and retailing of consumer goods



DIRECTORS' REPORT (CONT'D)

The details of the subsidiaries of the Group are as follows: (continued)

Name of companies	Place of business/country of incorporation	Effective equity interest		Principal activities
		2025 %	2024 %	
<u>Subsidiaries of Harrisons Sabah Sdn. Bhd.</u>				
DRN2 Pte. Ltd.	Singapore	58	-	Wholesale of confectionery and bakery products
Harrisons Travel Sdn. Bhd.	Malaysia	100	100	Travel agent
Harcros (Sabah) Sdn. Bhd.	Malaysia	100	100	Dormant

AUDITORS' REMUNERATION

The auditors' remuneration is as follow:

	2025	
	Group RM'000	Company RM'000
Auditors' remuneration:		
- PricewaterhouseCoopers PLT	885	268
- Others	134	-
	<u>1,019</u>	<u>268</u>

AUDITORS

To the extent permitted by the Companies Act 2016, the Company has agreed to indemnify its auditors, PricewaterhouseCoopers PLT, against claims by third parties arising from the statutory audit (for an unspecified amount) as part of the terms of its statutory audit engagement. No payment has been made to reimburse PricewaterhouseCoopers PLT during or since the end of the financial year.

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 24 April 2026. Signed on behalf of the Board of Directors:

FELIX LEONG
DIRECTOR

WONG YOKE KONG
DIRECTOR



STATEMENT BY DIRECTORS

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

We, Felix Leong and Wong Yoke Kong, two of the Directors of Harrisons Holdings (Malaysia) Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 78 to 144 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and the financial performance of the Group and of the Company for the financial year ended 31 December 2025 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 24 April 2026.

FELIX LEONG
DIRECTOR

WONG YOKE KONG
DIRECTOR

STATUTORY DECLARATION

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

I, Low Kong Choon (MIA No. 6635), the Officer primarily responsible for the financial management of Harrisons Holdings (Malaysia) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 78 to 144 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

LOW KONG CHOON

Subscribed and solemnly declared by the abovenamed Low Kong Choon at Kuala Lumpur on 24 April 2026, before me.

SARASWATHI A/P MANIKAM AMN
COMMISSIONER FOR OATHS
W1056



STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	6	2,215,902	2,173,942	26,379	36,856
Cost of sales		(1,963,097)	(1,930,286)	-	-
Gross profit		252,805	243,656	26,379	36,856
Other operating income		5,384	5,450	538	72
Selling and distribution costs		(26,485)	(22,882)	-	-
Administrative expenses		(165,291)	(156,294)	(2,491)	(2,797)
Finance costs	7	(9,381)	(9,917)	(3)	(3)
Profit before taxation	8	57,032	60,013	24,423	34,128
Taxation	10	(13,892)	(16,127)	(34)	(288)
Profit for the financial year		43,140	43,886	24,389	33,840
Other comprehensive income:					
<i>Items that will not be reclassified to profit or loss</i>					
Change in fair value of financial assets at FVOCI		552	887	596	808
		552	887	596	808
<i>Item that may be reclassified to profit or loss</i>					
Currency translation differences		(850)	(1,336)	-	-
Total comprehensive income for the financial year		42,842	43,437	24,985	34,648
Profit attributable to:					
- Owners of the Company		42,586	42,992	24,389	33,840
- Non-controlling interests		554	894	-	-
		43,140	43,886	24,389	33,840
Total comprehensive income attributable to:					
- Owners of the Company		42,525	42,913	24,985	34,648
- Non-controlling interests		317	524	-	-
		42,842	43,437	24,985	34,648
Earnings per share (sen)					
- Basic and diluted	11	12.44	12.56		

The accompanying notes form an integral part of the financial statements.



STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	13	52,553	39,554	138	139
Right-of-use assets	14	100,935	106,418	37	70
Investment properties	15	2,431	2,461	-	-
Deferred tax assets	16	10,742	9,889	1	4
Financial assets at FVOCI	17	5,237	4,835	5,001	4,406
Investment in subsidiaries and associate	19	-	-	91,075	90,744
Intangible asset	20	7,882	7,882	-	-
		179,780	171,039	96,252	95,363
CURRENT ASSETS					
Financial assets at FVTPL	18	26,055	48,996	25,845	48,836
Inventories	21	260,488	275,889	-	-
Trade and other receivables	22	357,231	348,285	1,449	726
Tax recoverable		4,717	7,676	84	34
Deposits, cash and bank balances	23	163,470	122,842	28,128	4,079
		811,961	803,688	55,506	53,675
CURRENT LIABILITIES					
Trade and other payables	24	255,388	252,823	773	750
Tax payable		1,160	1,032	-	-
Borrowings	25	165,097	176,095	-	-
Lease liabilities	26	14,638	14,242	32	31
		436,283	444,192	805	781
NET CURRENT ASSETS		375,678	359,496	54,701	52,894
NON-CURRENT LIABILITIES					
Deferred tax liabilities	16	2,419	2,304	-	-
Borrowings	25	8,900	-	-	-
Lease liabilities	26	60,973	65,107	10	44
		72,292	67,411	10	44
		483,166	463,124	150,943	148,213



STATEMENTS OF FINANCIAL POSITION (CONT'D)

AS AT 31 DECEMBER 2025

	<u>Note</u>	<u>2025</u> RM'000	<u>Group</u> <u>2024</u> RM'000	<u>2025</u> RM'000	<u>Company</u> <u>2024</u> RM'000
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	27	68,523	68,523	68,523	68,523
Treasury shares	27	(18)	(18)	(18)	(18)
Other reserves		9,389	9,579	3,208	2,612
Retained earnings		400,632	380,172	79,230	77,096
		478,526	458,256	150,943	148,213
Non-controlling interests		4,640	4,868	-	-
		483,166	463,124	150,943	148,213

The accompanying notes form an integral part of the financial statements.



STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Group	Note	Attributable to equity holders of the Company							Total RM'000	
		Share capital RM'000	Treasury share RM'000	Currency translation difference RM'000	FVOCI reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Total RM'000		Non- controlling interest RM'000
At 1 January 2025		68,523	(18)	1,370	2,804	5,405	380,172	458,256	4,868	463,124
Profit for the financial year		-	-	-	-	-	42,586	42,586	554	43,140
Other comprehensive income:										
- Fair value changes of financial assets at FVOCI		-	-	-	552	-	-	552	-	552
- Currency translation differences		-	-	(613)	-	-	-	(613)	(237)	(850)
Total comprehensive income for the financial year		-	-	(613)	552	-	42,586	42,525	317	42,842
Transaction with owners:										
- Non-controlling interest from acquisition from a subsidiary		-	-	-	-	-	-	-	(75)	(75)
- Transfer of gain on disposal of financial assets at FVOCI to retained earnings		-	-	-	(129)	-	129	-	-	-
- Dividends	12	-	-	-	-	-	(22,255)	(22,255)	(470)	(22,725)
At 31 December 2025		68,523	(18)	757	3,227	5,405	400,632	478,526	4,640	483,166

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Group	Note	Attributable to equity holders of the Company								
		Share capital RM'000	Treasury share RM'000	Currency translation difference RM'000	FVOCI reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interest RM'000	Total RM'000
At 1 January 2024		68,523	(18)	2,336	1,917	5,405	371,418	449,581	5,278	454,859
Profit for the financial year		-	-	-	-	-	42,992	42,992	894	43,886
Other comprehensive income:										
- Fair value changes of financial assets at FVOCI		-	-	-	887	-	-	887	-	887
- Currency translation differences		-	-	(966)	-	-	-	(966)	(370)	(1,336)
Total comprehensive income for the financial year		-	-	(966)	887	-	42,992	42,913	524	43,437
Transaction with owners:										
- Dividends	12	-	-	-	-	-	(34,238)	(34,238)	(934)	(35,172)
At 31 December 2024		68,523	(18)	1,370	2,804	5,405	380,172	458,256	4,868	463,124

The accompanying notes form an integral part of the financial statements.



STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

<u>Company</u>	<u>Note</u>	<u>Share capital</u> RM'000	<u>Treasury shares</u> RM'000	<u>FVOCI reserve</u> RM'000	<u>Retained earnings</u> RM'000	<u>Total</u> RM'000
At 1 January 2025		68,523	(18)	2,612	77,096	148,213
Profit for the financial year		-	-	-	24,389	24,389
Other comprehensive income:						
- Fair value changes of financial assets at FVOCI		-	-	596	-	596
Total comprehensive income for the financial year		-	-	596	24,389	24,985
Transaction with owners:	12					
- Dividends		-	-	-	(22,255)	(22,255)
At 31 December 2025		68,523	(18)	3,208	79,230	150,943

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

<u>Company</u>	<u>Note</u>	<u>Share capital</u> RM'000	<u>Treasury shares</u> RM'000	<u>FVOCI reserve</u> RM'000	<u>Retained earnings</u> RM'000	<u>Total</u> RM'000
At 1 January 2024		68,523	(18)	1,804	77,494	147,803
Profit for the financial year		-	-	-	33,840	33,840
Other comprehensive income:						
- Fair value changes of financial assets at FVOCI		-	-	808	-	808
Total comprehensive income for the financial year		-	-	808	33,840	34,648
Transaction with owners:	12					
- Dividends		-	-	-	(34,238)	(34,238)
At 31 December 2024		68,523	(18)	2,612	77,096	148,213

The accompanying notes form an integral part of the financial statements.



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the financial year		43,140	43,886	24,389	33,840
Adjustments for non-cash items:					
Loss/(Reversal of) allowance for:					
- trade and other receivables		5,078	2,667	-	-
- amount due from an associate		(156)	86	-	-
(Reversal of)/Provision for					
inventory obsolescence		(699)	399	-	-
Inventories written off		3,762	3,783	-	-
Property, plant and equipment:					
- depreciation		6,087	6,013	5	5
- loss/(gain) on disposal		56	(33)	-	83
- written off		88	92	-	-
Depreciation of investment properties					
		30	54	-	-
Depreciation of right-of-use assets					
		16,473	16,152	33	37
Goodwill written off	19	191	-	-	-
Gain on disposal of financial assets at FVOCI					
		(25)	-	-	-
Gain on disposal of financial assets at FVTPL					
		(32)	(61)	(32)	(61)
Fair value (gain)/loss on financial assets at FVTPL					
		(381)	421	(381)	421
Unrealised foreign exchange loss					
		295	140	-	-
Dividend income		(1,327)	(1,201)	(26,379)	(36,856)
Interest income		(2,684)	(2,796)	(125)	(515)
Finance costs	7	9,381	9,917	3	3
Gain on lease modification		-	(1,089)	-	(11)
Gain on lease derecognition		(362)	-	-	-
Taxation		13,892	16,127	34	288
		92,807	94,557	(2,453)	(2,766)
<u>Working capital changes:</u>					
Inventories		12,338	(26,662)	-	-
Trade and other receivables		(13,998)	10,379	(215)	314
Trade and other payables		818	(9,747)	23	(7)
		91,965	68,527	(2,645)	(2,459)
Tax paid		(15,237)	(22,252)	(117)	(138)
Tax refund		3,694	-	36	-
Interest received		2,684	2,796	125	515
Net cash from operating activities		83,106	49,071	(2,601)	(2,082)



STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	13	(17,067)	(9,056)	(4)	(5)
Purchase of right-of-use assets		-	(807)	-	-
Proceeds from disposal of property, plant and equipment		204	226	-	84
Dividends received		1,327	1,201	1,327	1,201
Proceeds from sale of financial assets at FVOCI		154	-	-	-
Proceeds from sale of financial assets at FVTPL		72,302	72,525	24,504	35,571
Purchase of financial assets at FVOCI		-	(501)	-	(500)
Purchase of financial assets at FVTPL		(48,927)	(100,772)	(1,099)	(63,814)
Dividends received from subsidiaries		-	-	25,052	35,655
Acquisition and incorporation of subsidiaries	19	(244)	-	(331)	-
Withdrawal of fixed deposits with a licensed bank		-	1,853	-	-
Advances to subsidiaries		-	-	(4,353)	(335)
Repayment by subsidiaries		-	-	3,845	-
Net cash from investing activities		7,749	(35,331)	48,941	7,857
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		(9,381)	(9,917)	(3)	(3)
Drawdown of bankers' acceptances		886,710	1,000,434	-	-
Repayment of bankers' acceptances		(897,114)	(975,790)	-	-
Drawdown of revolving credit		13,900	16,500	-	-
Repayment of revolving credit		(5,000)	(16,500)	-	-
Dividends paid		(22,725)	(35,172)	(22,255)	(34,238)
Lease payments – principal portion		(15,173)	(15,252)	(33)	(30)
Net cash from financing activities		(48,783)	(35,697)	(22,291)	(34,271)



STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	<u>2025</u> RM'000	Group <u>2024</u> RM'000	<u>2025</u> RM'000	Company <u>2024</u> RM'000
NET MOVEMENT IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		42,072	(21,957)	24,049	(28,496)
TRANSLATION RESERVE		(782)	(1,336)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		117,179	140,472	4,079	32,575
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	23	158,469	117,179	28,128	4,079

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Note:

- (i) The acquisition of right-of-use ("ROU") assets during the financial year for the Group of RM7,295,000 (2024: RM9,482,000) and Company of RM Nil (2024: RM94,000) is a non-cash transaction.
- (ii) The reconciliation of liabilities arising from financing activities is as follows:

Group	At 1.1.2025 RM'000	Cash			Non-cash changes			At 31.12.2025 RM'000
		Cash inflow RM'000	Outflow (including interest) RM'000	Interest accretion RM'000	New lease RM'000	Lease modification RM'000	Lease Derecognition RM'000	
Bankers' acceptances	175,397	886,710	(902,917)	5,803	-	-	-	164,993
Revolving credit	-	13,900	(5,037)	37	-	-	-	8,900
Lease liabilities	79,349	-	(18,608)	3,435	7,295	5,816	(1,676)	75,611

Group	At 1.1.2024 RM'000	Cash			Non-cash changes			At 31.12.2024 RM'000
		Cash inflow RM'000	Outflow (including interest) RM'000	Interest accretion RM'000	New lease RM'000	Lease modification RM'000	Lease Derecognition RM'000	
Bankers' acceptances	150,753	1,000,434	(982,252)	6,462	-	-	-	175,397
Revolving credit	-	16,500	(16,604)	104	-	-	-	-
Lease liabilities	68,727	-	(18,475)	3,223	9,482	16,392	-	79,349



STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Note:

(ii) The reconciliation of liabilities arising from financing activities is as follows: (continued)

	Cash				Non-cash changes			At 31.12.2025 RM'000
	At 1.1.2025 RM'000	Cash inflow RM'000	outflow (including interest) RM'000	Interest accretion RM'000	New lease RM'000	Lease modification RM'000		
<u>Company</u>								
Lease liabilities	75	-	(36)	3	-	-	42	
	Cash				Non-cash changes			At 31.12.2024 RM'000
	At 1.1.2024 RM'000	Cash inflow RM'000	outflow (including interest) RM'000	Interest accretion RM'000	New lease RM'000	Lease modification RM'000		
<u>Company</u>								
Lease liabilities	9	-	(33)	3	94	2	75	

The accompanying notes form an integral part of the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The principal activity of the Company is investment holding. The principal activities of the Group consist of marketing, sales and distribution of building materials, industrial and agricultural chemical products, liquor products, consumer goods, engineering and the operation of retail, shipping, insurance and travel agencies. Details of the principal activities of the subsidiaries are shown in Note 19 to the financial statements.

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

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 address of the registered office of the Company is:

Level 13, Menara 1 Sentrum
201 Jalan Tun Sambanthan
Brickfields, 50470 Kuala Lumpur

The principal place of business of the Company is:

Unit 9A, 9th Floor
Wisma Bumi Raya
10, Jalan Raja Laut
50350, Kuala Lumpur

2. BASIS OF PREPARATION

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

The Group's and the Company's financial statements have been prepared under the historical cost convention, except as disclosed in this summary of material accounting policies below.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires the Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. BASIS OF PREPARATION (CONTINUED)

(a) IFRIC agenda decisions that are concluded and published

In view that MFRS is fully converged with IFRS Accounting Standards, the Group and the Company consider all agenda decisions published by the IFRS Interpretations Committee. Where relevant, the Group and the Company may change its accounting policy to be aligned with the agenda decision.

During the year, the Group and the Company have assessed the implication of the IFRIC agenda decision on:

(i) Disclosure of revenues and expenses for reportable segments (MFRS 8 Operating Segments)

In line with the IFRIC agenda decision, the Group has reassessed material items included in the profit before tax measure reviewed by the CODM and determined that the cost of sales and staff costs are material expenses. Accordingly, the Group has included the cost of sales and staff costs in the segment information and comparative information disclosed in Note 5 have been restated.

(ii) Guarantees issued on obligations of other entities.

The IFRIC agenda decisions do not give rise to any material financial impact to the Group and the Company.

(b) Standards and amendments that have been issued but not yet effective

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except for the following set out below:

Effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments'

Effective for annual periods beginning on or after 1 January 2027

- MFRS 18 'Presentation and Disclosure in Financial Statements' replaces MFRS 101 'Presentation of Financial Statements'

- The new MFRS introduces a new structure of profit or loss statement.

(i) Income and expenses are classified into 3 new main categories:

- Operating category which typically includes results from the main business activities;
- Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely dependently of other resources; and
- Financing category that presents income and expenses from financing liabilities.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. BASIS OF PREPARATION (CONTINUED)

(b) Standards and amendments that have been issued but not yet effective (continued)

Effective for annual periods beginning on or after 1 January 2027 (continued)

- The new MFRS introduces a new structure of profit or loss statement (continued)
 - (ii) Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'
- Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.
- Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are set out below.

(a) Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

(b) Investments in subsidiaries and associates in separate financial statements

In the Company's separate financial statements, investments in subsidiaries and associates are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries and associates, the difference between the disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(c) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Gains and losses on disposals are determined by comparing the net proceeds with the carrying amounts and are included in other operating income and expenses in profit or loss.

Freehold land is not depreciated as it has an infinite life. Depreciation on assets under construction commences when the assets are ready for their intended use. Other property, plant and equipment are depreciated on the straight-line basis to write off the cost of the assets to their residual values over their estimated useful lives as summarised below:

Buildings	50 years
Motor vehicles	5 years
Furniture, fittings and equipment	3 years to 10 years

Depreciation of assets under construction commences when the assets are ready for their intended use.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES

(d) Investment properties

Investment property is measured initially at its cost, including professional fees for legal services, property transfer taxes, other transaction costs and borrowing costs if the investment property meets the definition of a qualifying asset.

Investment property is de-recognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Gains or losses on disposals are determined by comparing the net disposal proceeds with the carrying amount and are included in profit or loss.

At the end of each reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3(f)(i) on impairment for non-financial assets.

(e) Intangible asset

Franchise right

Franchise right acquired in a business combination is recognised at fair value at acquisition date. Franchise right is not amortised but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and carried at cost less accumulated impairment losses. The carrying amount of the franchise right is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(f) Impairment of assets

(i) Impairment for non-financial assets

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The impairment loss is charged to profit or loss, and any subsequent increase in recoverable amount is recognised in profit or loss.

(ii) Impairment for debt instruments and financial guarantee contracts

The Group assesses on a forward-looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost and financial guarantee contracts issued. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and the Company has four types of financial instruments that are subject to the ECL model:

- Trade receivables
- Deposit and other receivables
- Amounts due from subsidiaries
- Financial guarantee contracts

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Impairment of assets (continued)

(ii) Impairment for debt instruments and financial guarantee contracts (continued)

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group expects to receive, over the remaining life of the financial instrument. For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Company expects to receive from the holder, the debtor or any other party. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

General 3-stage approach for other receivables, amounts due from subsidiaries and financial guarantee contracts

At each reporting date, the Group measures ECL through loss allowance at an amount equal to 12 months ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required. Note 31(iv)(b) sets out the measurement details of ECL.

Simplified approach for trade receivables

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. Note 31(iv)(b) sets out the measurement details of ECL.

(iii) Significant increase in credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor
- significant increases in credit risk on other financial instruments of the same debtor
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Impairment of assets (continued)

(iii) Significant increase in credit risk (continued)

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

(iv) Definition of default and credit-impaired financial assets

The Group defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

The Group defines a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganization
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on individual basis.

(v) Groupings of instruments for ECL measured on collective basis

(i) Collective assessment

To measure ECL, trade receivables arising from trading and distribution and shipping business have been grouped based on shared credit risk characteristics and the days past due.

(ii) Individual assessment

Trade receivables, deposits and other receivables and amount due from subsidiaries which are in default or credit-impaired are assessed individually.

(vi) Write-off

(i) Trade receivables

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Impairment of assets (continued)

(vi) Write-off (continued)

(ii) Deposits, other receivables and amounts due from subsidiaries

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

(g) Financial assets

(i) Classification

The Group classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and those to be measured at amortised cost.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group reclassifies debt investments when and only when its business model for managing those assets changes. There are two measurement categories into which the Group classifies its debt instruments:

(a) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in other operating income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other operating income/(expense) together with foreign exchange gains and losses. Impairment losses are presented within administrative expenses in the statements of comprehensive income.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Financial assets (continued)

(iii) Measurement (continued)

Debt instruments (continued)

(b) Fair value through profit or loss ("FVTPL")

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different basis. Fair value changes is recognised in profit or loss and presented net within other operating income/(expense) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other operating income when the Group's right to receive payments is established.

(h) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9 "Financial instruments" and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 "Revenue from Contracts with Customers", where appropriate.

(i) Leases – Accounting by lessee

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group (i.e. the commencement date).

Lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Leases – Accounting by lessee (continued)

ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Restoration costs

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase and extension options if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group presents the lease liabilities as a separate line item in the statements of financial position. Interest expense on the lease liability is presented within the finance cost in profit or loss in the statements of comprehensive income.

Short term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise office equipment, such as photocopy machine. Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. The costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and the estimated costs necessary to make the sale.

(k) Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value plus transaction costs. Other receivables are recognised initially at fair value plus transaction costs. Transaction costs include transfer taxes and duties.

After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. See accounting policy Note 3(f)(ii) on impairment for trade and other receivables.

(l) Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

In the statements of financial position, banks overdrafts are shown within borrowings in current liabilities.

(m) Share capital

(i) Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the substance of the contractual agreement of the particular instrument.

(ii) Dividend distribution

Distributions to holders of an equity instrument is recognised directly in equity.

(iii) Purchase of own shares

Where any company within the Group purchases the Company's equity instruments, the consideration paid, including any directly attributable incremental costs, net of tax, is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled, reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity attributable to the owners of the Company.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Share capital (continued)

(iv) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year and excluding treasury shares.

(n) Trade payables

Trade payables are recognised initially at fair value net of transaction costs incurred, which include transfer taxes and duties.

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

(o) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(p) Current and deferred income tax

Tax expense for the period comprises current and deferred income tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(p) Current and deferred income tax (continued)

Deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries and associates unless the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and associates only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the deductible temporary difference can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(q) Employee benefits

(i) Short-term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Defined contribution plans

The Group's contributions to defined contribution plans are charged to profit or loss in the period to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(r) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(s) Revenue from contracts with customers

(i) Sale of goods

The Group engages in the business of trading and distribution of consumer products, building materials and chemical products. The Group also engages in the business of supplying baked cookies and cakes to customers on a wholesale and retail basis. Revenue from the sale of goods is recognised when the control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract, net of discounts and returns at the time of sale. No element of financing is deemed present as the sales are made with a credit term ranging from 30 to 90 days, which is consistent with market practice.

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.

(ii) Rendering of services

The Group provides shipping services. Revenue from the rendering of services is recognised when the Group has rendered the services to the customer. The Group concludes that it is an agent for its shipping services and hence, its performance obligation is to arrange for the provision of shipping services by shipping companies. When the Group satisfies its obligation to arrange for the services, revenue based on the commission entitlement is recognised. The Group's obligation to render services to a customer for which the Group has received consideration in advance from the customer is recognised as "trade and other payables" in the statements of financial position. The Group applied the practical expedient in MFRS 15 and did not disclose information about recognising performance obligations that have an original expected duration of one year or less.

(t) Revenue from other sources

(i) Interest income

Interest income is recognised using the effective interest method.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(ii) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(u) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates concerning the future. These accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are explained below.

(a) Provision for inventory obsolescence

Inventories are carried at the lower of cost and net realisable value. This requires the estimation of the eventual selling price of the goods to the customers in the future. A high degree of judgement is applied when estimating the impact on the carrying value of inventories, taking into consideration of factors giving rise to slow moving items, changing market conditions, availability of substitutes and responses by competitors. The provision for inventory obsolescence computed by management is based on percentage applied on the inventories' ageing and expiring band according to the category of inventories. These rates require significant estimates to be made by management based on the prevailing market conditions at reporting date. The provision for inventory obsolescence as at the reporting date is disclosed in note 21.

If the provisioning rates were to differ by 10% higher/lower from management's estimates, the change in provision for inventory obsolescence would be RM1,074,000 (2024: RM862,000) higher/lower.

(b) Loss allowance for trade receivables

The Group applies a simplified approach in calculating ECLs for trade receivables. To measure the expected loss rates, trade receivables have been grouped based on shared credit risk characteristics and the days past due. These historical loss rates are adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Due to the evolving in macroeconomic conditions, the Malaysia Consumer Price Index ("MACPI") and Overnight Policy Rate ("OPR") were identified to be the most relevant factors as compared to the Kuala Lumpur Composite Index ("KLCI") and Producer Price Index which previously identified. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Loss allowance for trade receivables (continued)

The Group estimates the relationship between historical loss rates and forward-looking information on macroeconomic factors and ECL which may not be representative of a customer's actual default in the future. The loss allowance for trade receivables as at the reporting date is disclosed in note 22.

If the provisioning rates were to differ by 10% higher/lower by sensitising the forward-looking rate, the change in loss allowance for trade receivables would be RM1,333,779 (2024: RM1,186,503) higher/lower.

5. SEGMENT REPORTING

The Group operates in four key geographical segments within Malaysia, namely Sabah, Sarawak, Peninsular Malaysia and Others. The Sabah, Sarawak and Peninsular Malaysia segments primarily comprise the trading and distribution of consumer products, building materials, industrial and agricultural chemical products, as well as the provision of insurance and shipping services within their respective geographical markets.

The Others segment includes the trading and distribution of liquor products, as well as the provision of travel agency services, property rental, and the retailing of consumer goods. Intersegment revenue comprises trading of consumer products, dividend income, rental received from the letting out of properties and management services rendered to other business segments within the Group.

The chief operating decision-maker evaluates performance of segments by reviewing revenue, profit before tax in order to allocate resources to segments.

Segment results represent segment revenue less segment expenses. Unallocated costs represent interest income and finance cost.

The Group revised its segment presentation to align with the revised internal reporting provided to the chief operating decision-maker. Accordingly, the comparative segment information for the financial year ended 31 December 2024 has been restated to conform with the segment presentation adopted.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. SEGMENT REPORTING (CONTINUED)

	<u>Sabah</u> RM'000	<u>Sarawak</u> RM'000	<u>Peninsular</u> RM'000	<u>Others</u> RM'000	<u>Group</u> RM'000
<u>2025</u>					
<u>Revenue</u>					
Total segment revenue	1,115,450	647,455	371,840	114,074	2,248,819
Inter segment revenue	-	-	-	(32,917)	(32,917)
	<u>1,115,450</u>	<u>647,455</u>	<u>371,840</u>	<u>81,157</u>	<u>2,215,902</u>
<u>Results</u>					
Profit Before					
Interest and tax (external)	36,517	26,196	4,368	(3,352)	63,729
Interest income					2,684
Finance costs					(9,381)
Profit from ordinary activities before taxation					<u>57,032</u>
Taxation					(13,892)
Profit for the financial year					<u><u>43,140</u></u>
<u>Other information</u>					
Cost of sales	994,255	567,117	353,064	48,661	1,963,097
Staff cost	55,406	31,481	7,688	21,220	115,795
Depreciation of property, plant and equipment	3,467	1,109	321	1,190	6,087
Depreciation of right-of-use assets	5,691	3,734	400	6,648	16,473
Depreciation of investment properties	12	17	-	1	30
Loss/(Reversal) allowance for trade and other receivables	2,073	(1,018)	3,817	206	5,078
(Reversal of)/Provision for inventory obsolescence	(792)	(97)	(12)	202	(699)
Inventories written off	1,593	2,169	-	-	3,762



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. SEGMENT REPORTING (CONTINUED)

	<u>Sabah</u> RM'000 (Restated)	<u>Sarawak</u> RM'000 (Restated)	<u>Peninsular</u> RM'000 (Restated)	<u>Others</u> RM'000 (Restated)	<u>Group</u> RM'000 (Restated)
<u>2024</u> (Restated)					
<u>Revenue</u>					
Total segment revenue	1,101,959	579,844	399,017	138,275	2,219,095
Inter segment revenue	-	-	-	(45,153)	(45,153)
	<u>1,101,959</u>	<u>579,844</u>	<u>399,017</u>	<u>93,122</u>	<u>2,173,942</u>
<u>Results</u>					
Profit Before					
Interest and tax (external)	41,336	23,074	3,962	(1,238)	67,134
Interest income					2,796
Finance costs					(9,917)
Profit from ordinary activities before taxation					<u>60,013</u>
Taxation					(16,127)
Profit for the financial year					<u><u>43,886</u></u>
<u>Other information</u>					
Cost of sales	978,712	511,679	381,074	58,821	1,930,286
Staff cost	53,418	26,664	7,722	21,037	108,841
Depreciation of property, plant and equipment	3,496	987	339	1,191	6,013
Depreciation of right-of-use assets	5,805	3,398	688	6,261	16,152
Depreciation of investment properties	12	16	-	26	54
(Reversal)/Loss allowance for trade and other receivables	(880)	1,903	1,531	113	2,667
Provision for/(Reversal of) inventory obsolescence	152	374	(76)	(51)	399
Inventories written off	1,816	1,967	-	-	3,783



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. SEGMENT REPORTING (CONTINUED)

	<u>Sabah</u> RM'000	<u>Sarawak</u> RM'000	<u>Peninsular</u> RM'000	<u>Others</u> RM'000	<u>Group</u> RM'000
<u>2025</u>					
<u>Analysis of external revenue by category</u>					
- Consumer products	1,033,449	624,866	-	79,324	1,737,639
- Building materials	24,801	17,998	353,459	-	396,258
- Chemical products	44,377	3,030	18,381	-	65,788
- Commission, handling fees and others	12,823	1,561	-	1,833	16,217
	<u>1,115,450</u>	<u>647,455</u>	<u>371,840</u>	<u>81,157</u>	<u>2,215,902</u>
<u>2024 (Restated)</u>					
<u>Analysis of external revenue by category</u>					
- Consumer products	1,027,740	559,481	-	91,113	1,678,334
- Building materials	23,527	16,762	381,576	-	421,865
- Chemical products	37,384	3,041	17,441	-	57,866
- Commission, handling fees and others	13,308	560	-	2,009	15,877
	<u>1,101,959</u>	<u>579,844</u>	<u>399,017</u>	<u>93,122</u>	<u>2,173,942</u>



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. REVENUE

See accounting policies in Note 3(s).

	<u>2025</u> RM'000	<u>2024</u> RM'000
<u>Group</u>		
Revenue from contract with customers	<u>2,215,902</u>	<u>2,173,942</u>
Disaggregation of the Group's revenue from contracts with customers:		
Sale of goods	2,199,685	2,158,065
Shipping services	14,278	13,765
Others	1,939	2,112
	<u>2,215,902</u>	<u>2,173,942</u>
Timing of revenue recognition		
- at a point in time	2,215,902	2,160,177
- over time	-	13,765
	<u>2,215,902</u>	<u>2,173,942</u>
<u>Company</u>		
Revenue from other sources	<u>26,379</u>	<u>36,856</u>
Dividends from subsidiaries	25,052	35,655
Dividends from other investments	1,327	1,201
	<u>26,379</u>	<u>36,856</u>

7. FINANCE COSTS

	<u>Group</u>		<u>Company</u>	
	<u>2025</u> RM'000	<u>2024</u> RM'000	<u>2025</u> RM'000	<u>2024</u> RM'000
Interest expense:				
- bank overdrafts	106	128	-	-
- bankers' acceptances	5,803	6,462	-	-
- revolving credit	37	104	-	-
- lease liabilities	3,435	3,223	3	3
	<u>9,381</u>	<u>9,917</u>	<u>3</u>	<u>3</u>



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

8. MATERIAL PROFIT OR LOSS ITEMS

The following material profit or loss items are charged/(credited) in arriving at profit before taxation:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Auditors' remuneration:				
- statutory audit fees	1,019	941	268	259
- non-audit service fees	100	183	13	30
Cost of inventories recognised in cost of sales	1,960,161	2,003,163	-	-
Loss/(Reversal of) allowance for:				
- trade and other receivables	5,078	2,667	-	-
- amount due from an associate	(156)	86	-	-
(Reversal of)/Provision for inventory obsolescence	(699)	399	-	-
Inventories written off	3,762	3,783	-	-
Property, plant and equipment:				
- depreciation	6,087	6,013	5	5
- loss/(gain) on disposal	56	(33)	-	83
- written off	88	92	-	-
Depreciation of investment properties	30	54	-	-
Depreciation of right-of-use assets	16,473	16,152	33	37
Goodwill written off	191	-	-	-
Gain on disposal of financial assets at FVOCI	(25)	-	-	-
Gain on disposal of financial assets at FVTPL	(32)	(61)	(32)	(61)
Fair value (gain)/loss on financial assets at FVTPL	(381)	421	(381)	421
Unrealised foreign exchange loss	295	140	-	-
Dividends from other investments	(1,327)	(1,201)	(1,327)	(1,201)
Dividends from subsidiaries	-	-	(25,052)	(35,655)
Interest income:				
- amount due from subsidiaries	-	-	(112)	(413)
- licensed bank	(2,441)	(2,544)	(13)	(102)
- amounts due from an associate	(243)	(252)	-	-
Management fees receivable from an associate	(12)	(12)	-	-
Management fee payable to a subsidiary	-	-	1,300	1,251
Outward transportation charges	15,926	14,723	-	-
Rental income on land and buildings	(1,439)	(1,441)	-	-
Staff costs:*				
- salaries, wages, bonus, commissions and allowances	100,229	94,729	501	521
- defined contribution plan	13,898	12,180	-	-
- others	1,668	1,932	-	-
Wage subsidy	(202)	(297)	-	-
Short term and low value lease expenses	60	52	-	-
Travelling expenses	5,657	4,635	31	66

* includes Directors' remuneration. The Directors' remuneration is disclosed in Note 9.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

9. DIRECTORS' REMUNERATION

See accounting policies in Note 3(q).

The aggregate amount of emoluments received/receivable by Directors during the financial year is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fees and allowances	501	521	501	521
Salaries and other emoluments	1,423	1,472	-	-
Defined contribution plan	229	229	-	-
	<u>2,153</u>	<u>2,222</u>	<u>501</u>	<u>521</u>
Estimated monetary value of benefits-in-kind	<u>35</u>	<u>24</u>	<u>-</u>	<u>-</u>

10. TAXATION

See accounting policies in Note 3(p).

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
The tax charge for the financial year comprise:				
- Malaysian tax	14,630	14,437	31	199
- Deferred tax (Note 16)	(738)	1,690	3	89
	<u>13,892</u>	<u>16,127</u>	<u>34</u>	<u>288</u>
Current tax				
- Current financial year	14,813	14,789	25	114
- (Over)/Under accrual in prior years	(183)	(352)	6	85
	<u>14,630</u>	<u>14,437</u>	<u>31</u>	<u>199</u>
Deferred tax:				
- Origination and reversal of temporary differences	(738)	1,690	3	89
	<u>13,892</u>	<u>16,127</u>	<u>34</u>	<u>288</u>



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

10. TAXATION (CONTINUED)

The explanation of the relationship between taxation and profit before taxation is as follows:

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM'000	RM'000	RM'000	RM'000
Numerical reconciliation between tax expense and the product of accounting profit multiplied by the Malaysian tax rate				
Profit before taxation	57,032	60,013	24,423	34,128
Tax calculated at the Malaysian tax rate of 24% (2024: 24%)	13,688	14,403	5,862	8,191
Tax effects of				
- Expenses not deductible for tax purposes	1,808	2,197	503	803
- Income not subject to tax	(703)	(510)	(6,339)	(8,880)
- Different tax rate in other countries	(126)	(245)	-	-
- (Over)/Under accrual of income tax in prior years	(183)	(352)	6	85
- Origination and reversal of temporary differences not recognised in prior years	(592)	634	2	89
Taxation	13,892	16,127	34	288

The amount of unused tax losses for which no deferred tax asset is recognised in the statements of financial position is as follows:

	Group	
	<u>2025</u>	<u>2024</u>
	RM'000	RM'000
Unused tax losses (expiring in Year 2028)	236	236
Deferred tax assets not recognised at 24%	57	57

No deferred tax asset has been recognised in respect of the tax losses of RM236,000 (2024: RM236,000) due to unpredictability of future taxable profits.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

11. EARNINGS PER SHARE

See accounting policies in Note 3(m)(iv).

Earnings per share of the Group is calculated by dividing the profit for the financial year by the weighted average number of ordinary shares in issue during the financial year, excluding ordinary shares repurchased by the Company and held as treasury shares.

	<u>2025</u> RM	Group <u>2024</u> RM
Profit for the financial year attributable to owners of the Company (RM'000)	<u>42,586</u>	<u>42,992</u>
Number of ordinary shares at beginning of the year ('000)	<u>342,381</u>	68,476
Share split completed on 12 December 2024 ('000)	-	<u>273,905</u>
Number of ordinary shares in issue ('000)	<u>342,381</u>	<u>342,381</u>
Basic and diluted earnings per share (sen)	<u><u>12.44</u></u>	<u><u>12.56</u></u>

12. DIVIDENDS

See accounting policies in Note 3(m)(ii).

Dividends recognised as distribution to the shareholders by the Company are as follows:

	<u>2025</u> RM'000	2024 RM'000
In respect of the financial year ended 31 December 2024 declared and paid in the financial year ended 31 December 2025:		
Final dividend of RM0.065 per ordinary shares paid on 18 August 2025	<u>22,255</u>	-
In respect of the financial year ended 31 December 2023 declared and paid in the financial year ended 31 December 2024:		
Final dividend of RM0.50 per ordinary shares paid on 19 August 2024	-	<u>34,238</u>
	<u><u>22,255</u></u>	<u><u>34,238</u></u>

For the financial year ended 31 December 2025, the Directors have recommended the payment of a final dividend of RM0.065 per ordinary share amounting to RM22.3 million, subject to the approval of the members at the forthcoming Annual General Meeting of the Company.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

13. PROPERTY, PLANT AND EQUIPMENT

See accounting policies in Note 3(c).

<u>Group</u>	<u>Freehold land</u> RM'000	<u>Buildings</u> RM'000	<u>Motor vehicles</u> RM'000	<u>Furniture, fittings and equipment</u> RM'000	<u>Construction in progress</u> RM'000	<u>Total</u> RM'000
<u>Cost</u>						
As at 1 January 2025	328	25,155	21,221	70,132	-	116,836
Acquisition of subsidiaries (Note 19)	-	163	-	180	-	343
Transfer from right-of-use assets	-	-	-	-	807	807
Additions	-	138	1,680	3,287	13,516	18,621
Disposals	-	-	(948)	(73)	-	(1,021)
Write-off	-	-	-	(390)	-	(390)
As at 31 December 2025	328	25,456	21,953	73,136	14,323	135,196
<u>Accumulated depreciation</u>						
As at 1 January 2025	-	(9,824)	(15,831)	(48,834)	-	(74,489)
Acquisition of subsidiaries (Note 19)	-	(163)	-	(174)	-	(337)
Charge for the financial year	-	(436)	(1,135)	(4,516)	-	(6,087)
Disposals	-	-	693	68	-	761
Write-off	-	-	-	302	-	302
As at 31 December 2025	-	(10,423)	(16,273)	(53,154)	-	(79,850)
<u>Accumulated impairment</u>						
As at 1 January 2025/31 December 2025	-	(2,793)	-	-	-	(2,793)
<u>Net book value</u>						
As at 31 December 2025	328	12,240	5,680	19,982	14,323	52,553

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

<u>Group</u>	<u>Freehold land</u> RM'000	<u>Buildings</u> RM'000	<u>Motor vehicles</u> RM'000	<u>Furniture, fittings and equipment</u> RM'000	<u>Total</u> RM'000
<u>Cost</u>					
As at 1 January 2024	328	25,155	20,394	63,885	109,762
Additions	-	-	1,650	7,406	9,056
Disposals	-	-	(823)	(32)	(855)
Write-off	-	-	-	(1,127)	(1,127)
As at 31 December 2024	328	25,155	21,221	70,132	116,836
<u>Accumulated depreciation</u>					
As at 1 January 2024	-	(9,309)	(15,396)	(45,468)	(70,173)
Charge for the financial year	-	(515)	(1,065)	(4,433)	(6,013)
Disposals	-	-	630	32	662
Write-off	-	-	-	1,035	1,035
As at 31 December 2024	-	(9,824)	(15,831)	(48,834)	(74,489)
<u>Accumulated impairment</u>					
As at 1 January 2024/31 December 2024	-	(2,793)	-	-	(2,793)
<u>Net book value</u>					
As at 31 December 2024	328	12,538	5,390	21,298	39,554



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

<u>Company</u>	<u>Motor vehicles</u> RM'000	<u>Furniture, fittings and equipment</u> RM'000	<u>Total</u> RM'000
<u>Cost</u>			
As at 1 January 2025	579	461	1,040
Addition	-	4	4
As at 31 December 2025	579	465	1,044
<u>Accumulated depreciation</u>			
As at 1 January 2025	(458)	(443)	(901)
Charge for the financial year	-	(5)	(5)
As at 31 December 2025	(458)	(448)	(906)
<u>Net book value</u>			
As at 31 December 2025	121	17	138
<u>Cost</u>			
As at 1 January 2024	908	456	1,364
Addition	-	5	5
Disposal	(329)	-	(329)
As at 31 December 2024	579	461	1,040
<u>Accumulated depreciation</u>			
As at 1 January 2024	(620)	(438)	(1,058)
Charge for the financial year	-	(5)	(5)
Disposal	162	-	162
As at 31 December 2024	(458)	(443)	(901)
<u>Net book value</u>			
As at 31 December 2024	121	18	139

Purchases of property, plant and equipment are as follow:

	<u>Group</u>		<u>Company</u>	
	<u>2025</u> RM'000	<u>2024</u> RM'000	<u>2025</u> RM'000	<u>2024</u> RM'000
Additions of plant and equipment	18,621	9,056	4	5
Less: Unpaid balances included within trade payables	(1,554)	-	-	-
	17,067	9,056	4	5



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. RIGHT-OF-USE ASSETS

See accounting policies in Note 3(i).

The Group leases various office buildings and warehouses. Lease contracts are typically made for fixed periods of 2 to 10 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants but the leased assets may not be used as security for borrowing purposes.

(i) Amount recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

<u>Group</u>	<u>Leasehold land*</u> RM'000	<u>Office buildings, and ware- houses</u> RM'000	<u>Total</u> RM'000
<u>Net book value</u>			
As at 1 January 2025	32,156	74,262	106,418
Additions	-	7,295	7,295
Transfer to property, plant and equipment	(807)	-	(807)
Modification	-	5,816	5,816
Derecognition	-	(1,314)	(1,314)
Charge for the financial year	(331)	(16,142)	(16,473)
As at 31 December 2025	31,018	69,917	100,935
<u>Net book value</u>			
As at 1 January 2024	31,679	63,121	94,800
Additions	807	9,482	10,289
Modification	-	17,481	17,481
Charge for the financial year	(330)	(15,822)	(16,152)
As at 31 December 2024	32,156	74,262	106,418

* Leasehold land relates to the leases of land with unexpired lease period ranging from 10 to 895 years for the Group's and the Company's office buildings located in Selangor, Johor and Sabah. The leases have expiring dates ranging from 2035 to 2920 and the Group and the Company does not have an option to purchase the leased land at the expiry of the lease period. Leasehold land are amortised over the lease terms ranging from 79 to 999 years.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. RIGHT-OF-USE ASSETS (CONTINUED)

(i) Amount recognised in the statements of financial position (continued)

The statement of financial position shows the following amounts relating to leases:
(continued)

<u>Company</u>	<u>Office Buildings and ware- houses RM'000</u>
<u>Net book value</u>	
As at 1 January 2025	70
Charge for the financial year	(33)
As at 31 December 2025	<u>37</u>
<u>Net book value</u>	
As at 1 January 2024	-
Addition	94
Modification	13
Charge for the financial year	(37)
As at 31 December 2024	<u>70</u>

(ii) Amounts recognised in the statements of comprehensive income

The statements of comprehensive income show the following amounts relating to leases:

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM'000	RM'000	RM'000	RM'000
Interest expenses on lease liabilities	3,435	3,223	3	3
Depreciation of right of use of assets	16,473	16,152	33	37
Expense relating to lease of short-term and low-value assets (included in administrative expenses)	60	52	-	-
	<u>18,668</u>	<u>18,527</u>	<u>36</u>	<u>33</u>
Total cash outflow for leases (including short term and low value assets)	<u>18,668</u>	<u>18,527</u>	<u>36</u>	<u>33</u>



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

15. INVESTMENT PROPERTIES

See accounting policies in Note 3(d).

	<u>2025</u> <u>RM'000</u>	<u>Group</u> <u>2024</u> RM'000
<u>Cost</u>		
As at 1 January/31 December	<u>4,070</u>	<u>4,070</u>
<u>Accumulated depreciation</u>		
As at 1 January	(1,609)	(1,555)
Charge for the financial year	(30)	(54)
As at 31 December	<u>(1,639)</u>	<u>(1,609)</u>
Net book value	<u><u>2,431</u></u>	<u><u>2,461</u></u>

The fair values of investment properties for the Group as at 31 December 2025 were estimated at RM19,200,000 (2024: RM19,200,000) based on the Directors' valuations which are derived using the market approach by way of comparison method of valuation. The Company obtains independent valuations for its investment property at least every three years. This method of valuation entails comparing recent ask price of other similar properties in the vicinity whilst making due allowances to factors such as location and size. The fair values are categorised as Level 3 in the fair value hierarchy as the valuations were based on unobservable valuation inputs, which were then adjusted to take into consideration the age and condition of the buildings.

The aggregate lease income arising from investment properties of the Group that generated lease income which was recognised during the financial year amounted to RM1,124,000 (2024: RM1,122,000).

The Group leases out its investment properties. The Group classified these leases as operating lease, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The following table sets out the maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	<u>2025</u> <u>RM'000</u>	<u>Group</u> <u>2024</u> RM'000
Within 1 st year	506	604
In the 2 nd year	252	381
Later than 2 years	672	254
Total undiscounted lease payments	<u><u>1,430</u></u>	<u><u>1,239</u></u>



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

16. DEFERRED TAXATION

See accounting policies in Note 3(p).

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group		Company	
	<u>2025</u> RM'000	<u>2024</u> RM'000	<u>2025</u> RM'000	<u>2024</u> RM'000
Deferred tax assets	10,742	9,889	1	4
Deferred tax liabilities	(2,419)	(2,304)	-	-
At 31 December	8,323	7,585	1	4
At 1 January	7,585	9,275	4	93
(Charged)/Credited to profit or loss (Note 10):				
- property, plant and equipment	(99)	(100)	4	22
- loss allowance for trade receivables	731	(170)	-	-
- provision for inventory obsolescence	(82)	56	-	-
- accruals and other provisions	27	(1,373)	-	(118)
- right-of-use assets	641	(2,940)	8	(17)
- lease liabilities	(551)	2,837	(15)	24
- unrealised foreign exchange	71	-	-	-
	738	(1,690)	(3)	(89)
At 31 December	8,323	7,585	1	4
Deferred tax assets (before offsetting)				
- loss allowance for trade receivables	5,845	5,114	-	-
- provision for inventory obsolescence	3,438	3,520	-	-
- accruals and other provisions	6,231	6,204	-	-
- lease liabilities	15,917	16,468	10	25
- unrealised foreign exchange	71	-	-	-
	31,502	31,306	10	25
Offsetting	(20,760)	(21,417)	(9)	(21)
Deferred tax assets (after offsetting)	10,742	9,889	1	4
Deferred tax liabilities (before offsetting)				
- property, plant and equipment	(7,857)	(7,758)	-	(4)
- right-of-use assets	(15,322)	(15,963)	(9)	(17)
	(23,179)	(23,721)	(9)	(21)
Offsetting	20,760	21,417	9	21
Deferred tax liabilities (after offsetting)	(2,419)	(2,304)	-	-



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

17. FINANCIAL ASSETS AT FVOCI

See accounting policies in Note 3(g).

Financial assets at FVOCI include the following:

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM'000	RM'000	RM'000	RM'000
Quoted:				
- Equity securities – Malaysia	919	1,063	683	634
- Equity securities – Singapore	4,318	3,772	4,318	3,772
	<u>5,237</u>	<u>4,835</u>	<u>5,001</u>	<u>4,406</u>

18. FINANCIAL ASSETS AT FVTPL

See accounting policies in Note 3(g).

Financial assets at FVTPL include the following:

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM'000	RM'000	RM'000	RM'000
Quoted:				
- Unit trust funds – Malaysia	26,055	48,996	25,845	48,836

19. INVESTMENT IN SUBSIDIARIES AND ASSOCIATE

See accounting policies in Note 3(a) and (b).

Investment in subsidiaries

	<u>Company</u>	
	<u>2025</u>	<u>2024</u>
	RM'000	RM'000
Unquoted shares at cost	99,059	98,728
Less: Allowance for impairment loss	(7,984)	(7,984)
	<u>91,075</u>	<u>90,744</u>



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

19. INVESTMENT IN SUBSIDIARIES AND ASSOCIATE (CONTINUED)

The Group's effective equity interest in the subsidiaries are as follows:

Name of companies	Place of business/country of incorporation	Effective equity interest		Principal activities
		<u>2025</u> %	<u>2024</u> %	
<u>Held directly by Harrisons Holdings (Malaysia) Berhad</u>				
Harrisons Peninsular Sdn. Bhd.	Malaysia	100	100	Marketing, sales and distribution of building materials, industrial and agricultural chemical products liquor products and the operation of shipping and insurance agencies
Harrisons Sabah Sdn. Bhd.	Malaysia	100	100	Marketing, sales and distribution of consumer, engineering, building and agricultural chemical products, operation of shipping and investment holding
Harrisons Sarawak Sdn. Bhd.	Malaysia	100	100	Marketing, sales and distribution of consumer, engineering, building and agricultural chemical products, operation of shipping and investment holding
Harrisons Marketing & Services Sdn. Bhd. ^α	Malaysia	100	100	Trading of consumer products
Jantoco Realty Sdn. Bhd. [#]	Malaysia	100	100	Letting out property and collection of rental from the property, to act as property manager and adviser, and to carry on the business of an investment holding company
Harrisons Corporate Services Sdn. Bhd. ^{#, ^}	Malaysia	100	100	Provision of management services
Valore Ventures Pte. Ltd. [#]	Singapore	100^(b)	-	Other specialised office support activities
<u>Subsidiaries of Harrisons Peninsular Sdn. Bhd.</u>				
J. Whyte (Malaysia) Sdn. Bhd.	Malaysia	100	100	Letting of property and related services



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

19. INVESTMENT IN SUBSIDIARIES AND ASSOCIATE (CONTINUED)

The Group's effective equity interest in the subsidiaries are as follows: (continued)

Name of companies	Place of business/country of incorporation	Effective equity interest		Principal activities
		2025 %	2024 %	
<u>Subsidiaries of Harrisons Peninsular Sdn. Bhd.</u> (continued)				
Watts Harrisons Sdn. Bhd. #	Malaysia	100 ^(c)	100	Winding up
Famous Foods Company Pte. Ltd. #	Singapore	72	72	Investment holding
The Famous Amos Chocolate Chip Cookie Singapore Pte. Ltd. #	Singapore	72	72	Manufacturing and retailing of consumer goods
DRN2 Pte. Ltd. #	Singapore	58 ^(a)	-	Wholesale of confectionery and bakery products
<u>Subsidiaries of Harrisons Sabah Sdn. Bhd.</u>				
Harrisons Travel Sdn. Bhd. +	Malaysia	100	100	Travel agent
Harcros (Sabah) Sdn. Bhd.	Malaysia	100	100	Dormant

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+ Harrisons Sabah Sdn. Bhd. holds an effective equity interest of 73% in Harrisons Travel Sdn. Bhd. The remaining 27% is held by Harrisons Peninsular Sdn. Bhd. Therefore, the Group holds an effective equity interest of 100%.

α The Company holds an effective equity interest of 74% in Harrisons Marketing & Services Sdn. Bhd. The remaining 26% is held by Harrisons Peninsular Sdn. Bhd. Therefore, the Group holds an effective equity interest of 100%.

^ The Company holds an effective equity interest of 90% in Harrisons Corporate Services Sdn. Bhd. The remaining 10% is held by Harrisons Peninsular Sdn. Bhd. Therefore, the Group holds an effective equity interest of 100%.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

19. INVESTMENT IN SUBSIDIARIES AND ASSOCIATE (CONTINUED)

- (a) During the financial year, the Group made the following acquisition:

On 1st December 2025, Famous Food Company Pte. Ltd. ("Famous Food") acquired 80% equity interest in DRN2 Pte. Ltd. ("DRN2") for a total consideration of SGD80,000. Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	<u>At date of acquisition</u> RM'000
<u>Fair value of identifiable net assets acquired</u>	
Property, plant and equipment	6
Trade and other receivables	165
Bank balances	9
Trade and other payables	(193)
	<hr/>
Net identifiable assets acquired	(13)
Add: Non-controlling interest ("NCI")	75
Add: Goodwill written off	191
	<hr/>
Purchase consideration in cash	253
	<hr/> <hr/>
<u>Outflow of cash on acquisition of a subsidiary</u>	
Purchase consideration	(253)
Bank balances of subsidiary acquired	9
	<hr/>
Net outflow of cash – investing activities	(244)
	<hr/> <hr/>

The acquisition of the subsidiary has no material effect on the results of the Group for the financial year ended 31 December 2025.

- (b) During the financial year, the Company incorporated a new company in Singapore, Valore Ventures Pte. Ltd. with a share capital of RM331,000.
- (c) Watts Harrisons Sdn, Bhd., a wholly owned subsidiary by Harrisons Peninsular Sdn. Bhd. is undergoing liquidation through a member's voluntary winding up.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

19. INVESTMENT IN SUBSIDIARIES AND ASSOCIATE (CONTINUED)

Investment in associate

The Group did not recognise its share of profit after tax of an associate for the financial year of RM9,000 (2024: Profit after tax of RM29,000) as the share of accumulated losses of the associate of RM841,000 (2024: accumulated loss of RM850,000) had exceeded the carrying amount of the investment. Hence, the current year's share of profit after tax of the associate was used to offset against the Group's share of accumulated losses in the associate that were previously not recognised. The cost of the investment was RM24,500 and has been fully written down.

The Group's unrecognised cumulative share of losses of the associate based on unaudited results of the associate is RM841,000 (2024: RM850,000).

The Group's effective equity interest in the associate is as follows:

<u>Name of company</u>	<u>Place of business/country of incorporation</u>	<u>Effective equity interest</u>		<u>Principal activities</u>
		<u>2025</u> %	<u>2024</u> %	
<u>Associate of Harrisons Peninsular Sdn. Bhd.</u>				
Harrisons Logistics Sdn. Bhd. #	Malaysia	30	30	Marketing , sales, warehousing and distribution of agrochemical products and building materials and forwarding agent

Not audited by PricewaterhouseCoopers PLT, Malaysia.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

20. INTANGIBLE ASSETS

See accounting policies in Note 3(e).

The intangible asset represents franchise rights of Famous Amos with indefinite useful life. The Directors have assessed the recoverable amount based on the value-in-use ("VIU") calculation, which uses cash flow projections based on financial budgets approved by Board of Directors covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated growth rate.

The following are the key assumptions used in determining the recoverable amount:

- (a) Annual capital expenditure based on historical experience of management and the planned refurbishment expenditure. No incremental revenue or cost savings are assumed in the value-in-use model as a result of this expenditure;
- (b) The growth rate used to extrapolate the cash flows beyond the budget period of 5 year is 0% (2024: 0%); and
- (c) Pre-tax discount rate of 8.24% (2024: 5.67%) is applied across all scenarios, benchmarked against local peers at the date of assessment.

Based on the assessment, no impairment loss has been identified for the intangible asset. Management believes that no reasonably changes in any of key assumption would cause the carrying value to exceed its recoverable amount.

21. INVENTORIES

See accounting policies in Note 3(j).

	<u>2025</u> <u>RM'000</u>	<u>Group</u> <u>2024</u> RM'000
Finished goods	255,986	272,353
Raw materials	4,502	3,536
	<u>260,488</u>	<u>275,889</u>

The carrying amount of inventories of RM260.5 million (2024: RM275.9 million) is after deducting provision for obsolescence amounting to RM14.4 million (2024: RM15.1 million).

The cost of inventories recognised in cost of sales during the financial year amounted to RM2.0 billion (2024: RM2.0 billion).



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

22. TRADE AND OTHER RECEIVABLES

See accounting policies in Note 3(k) and (f)(ii), (iii), (iv).

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM'000	RM'000	RM'000	RM'000
Trade receivables	378,108	363,387	-	-
Less: Loss allowance	(33,216)	(28,138)	-	-
Trade receivables - net	344,892	335,249	-	-
Amounts due from subsidiaries	-	-	953	445
Less: Loss allowance	-	-	-	-
Amounts due from subsidiaries - net	-	-	953	445
Deposits	7,945	8,666	60	67
Prepayments	776	886	110	110
Other receivables	3,618	3,484	326	104
	12,339	13,036	496	281
	357,231	348,285	1,449	726

Included in trade receivables is amount due from an associate of RM3,344,000 (2024: RM3,500,000) which has been fully impaired. This amount represents balances arising from trade transactions and advances which are unsecured and have no fixed term of repayment.

The amounts due from subsidiaries represent expenses paid on behalf of the subsidiaries. These balances are unsecured, repayable on demand and bear interest at a rate of 6.9% (2024: 7.1%) per annum. The impairment loss of RM1,536,000 has been reversed during the year due to members voluntary winding-up of a subsidiary, Watts Harrison Sdn. Bhd.

Reconciliation of loss allowance

The movement of loss allowance is as follows:

	Group	
	<u>2025</u>	<u>2024</u>
	RM'000	RM'000
At 1 January	28,138	25,471
Loss allowance recognised in profit or loss during the financial year	5,078	2,667
At 31 December	33,216	28,138



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

23. DEPOSITS, CASH AND BANK BALANCES/CASH AND CASH EQUIVALENTS

See accounting policies in Note 3(l).

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM'000	RM'000	RM'000	RM'000
Deposits with licensed banks	29,757	29,576	-	-
Cash and bank balances	133,713	93,266	28,128	4,079
Deposits, cash and bank balances	163,470	122,842	28,128	4,079
Bank overdraft (Note 25)	(104)	(698)	-	-
Fixed deposit of more than 3 months maturity with a licensed bank	(4,897)	(4,965)	-	-
Cash and cash equivalents	158,469	117,179	28,128	4,079

The effective interest rate of fixed deposits with licensed banks during the financial year is 1.46% (2024: 2.51%) per annum. The maturity period of these deposits are between 3 months to 12 months (2024: 3 months to 12 months). Bank balances are deposits held at call with bank.

The currency exposure profile of deposits, cash and bank balances are disclosed in Note 31(i) to the financial statements.

24. TRADE AND OTHER PAYABLES

See accounting policies in Note 3(n) and (r).

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM'000	RM'000	RM'000	RM'000
Current liabilities:				
Trade payables	166,504	160,872	-	-
Other payables	2,844	3,225	-	-
Accruals and other provisions	46,495	48,626	773	750
Payroll liabilities	18,750	19,996	-	-
Provision for reinstatement costs	521	560	-	-
Refundable deposits	20,274	19,544	-	-
	255,388	252,823	773	750



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

25. BORROWINGS

See accounting policies in Note 3(o).

	<u>2025</u> RM'000	<u>Group</u> <u>2024</u> RM'000
<u>Current</u>		
<i>Unsecured</i>		
Bankers' acceptance	164,993	175,397
Bank overdrafts	-	698
	<hr/> 164,993	<hr/> 176,095
<i>Secured</i>		
Bank overdrafts	104	-
	<hr/> 165,097	<hr/> 176,095
<u>Non-current</u>		
<i>Secured</i>		
Revolving credit	8,900	-
	<hr/> 173,997	<hr/> 176,095
	<hr/> <hr/> 173,997	<hr/> <hr/> 176,095

(a) Banker's acceptance

The unsecured short-term bankers' acceptances have an average maturity period of on call to three months (2024: on call to one month).

(b) Islamic bank overdraft and revolving credit

A subsidiary of the Company has obtained a secured bank overdraft facility of RM1 million and a revolving credit facility of RM30 million from a licensed Islamic bank. Both facilities carry a tenure of 10 years from the date of notification by the bank that the facilities are available for utilisation.

During the financial year, the average profit rates are 6.45% for the bank overdraft and 4.80% for the revolving credit facility.

These facilities are secured by certain property, plant and equipment of the Group and are further supported by a corporate guarantee provided by the Company. Both facilities are subject to financial debt covenants imposed by the financial institutions. Refer to Note 32 for details.

The average interest rates per annum of borrowings that were effective as at the reporting date are as follows:

	<u>2025</u> %	<u>Group</u> <u>2024</u> %
Bankers' acceptances	3.60	3.79
Bank overdrafts	6.45	7.06
Revolving credit	4.80	-
	<hr/> <hr/> 4.80	<hr/> <hr/> -



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

26. LEASE LIABILITIES

See accounting policies in Note 3(i).

Lease liabilities are presented in the statements of financial position as follows:

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM'000	RM'000	RM'000	RM'000
Current liabilities	14,638	14,242	32	31
Non-current liabilities				
- due within 2 to 5 years	29,749	33,807	10	44
- due more than 5 years	31,224	31,300	-	-
	60,973	65,107	10	44
Total lease liabilities	75,611	79,349	42	75

The movement of lease liabilities is as follows:

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM'000	RM'000	RM'000	RM'000
At 1 January	79,349	68,727	75	9
Addition during the financial year	7,295	9,482	-	94
Interest charged during the financial year (Note 7)	3,435	3,223	3	3
Repayment of lease liabilities	(18,608)	(18,475)	(36)	(33)
Derecognition	(1,676)	-	-	-
Modification	5,816	16,392	-	2
At 31 December	75,611	79,349	42	75



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

27. SHARE CAPITAL

See accounting policies in Note 3(m)(i) and (iii).

	Group and Company	
	<u>2025</u>	<u>2024</u>
	RM'000	RM'000
Issued and fully paid ordinary shares: At beginning/end of the financial year	68,523	68,523

As at 31 December 2025, the number of outstanding shares in issue after setting off treasury shares of 65,000 (2024: 65,000) against equity is 342,381,000 (2024: 342,381,000). As treasury shares, the rights attached as to voting, dividends and participation in other distributions are suspended. None of the treasury shares repurchased have been sold as at 31 December 2025.

28. COMMITMENTS

(a) Capital commitments

The Group has approved but not contracted for capital expenditure in respect of property, plant and equipment for a sum of RM29,428,000 (2024: RM19,627,000).

(b) Non-cancellable operating leases

The Group leases various office buildings and warehouses under non-cancellable operating lease agreements. The lease terms range between 2 and 10 years, and majority of lease agreements are renewable at the end of the lease period at market rate.

The Group has recognised right-of-use assets for these assets, except for short-term and low-value leases. Refer to Note 14 and Note 26 for further information.

The future minimum lease payments under non-cancellable short-term and low value operating leases contracted for rental of warehouse and office equipment that are not recognised as liabilities are as follows as at reporting date:

	Group	
	<u>2025</u>	<u>2024</u>
	RM'000	RM'000
Within one year	52	31
Later than one year and not later than five years	67	48
	119	79



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29. SIGNIFICANT RELATED PARTY DISCLOSURES

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions.

(a) Management services rendered by a subsidiary

	<u>2025</u>	<u>Company</u>
	<u>RM'000</u>	<u>2024</u>
		RM'000
Harrisons Corporate Services Sdn. Bhd.	1,300	1,251

(b) Net (Advances to)/Repayment from subsidiaries

Harrisons Sabah Sdn. Bhd.	36	59
Harrisons Peninsular Sdn. Bhd.	9	20
Harrisons Corporate Services Sdn. Bhd.	(551)	(417)
Marca Privada Sdn. Bhd.	-	3
Valore Ventures Pte. Ltd.	(2)	-

(c) Companies in which certain Directors of the Company and/or close members of the family have substantial financial interest:

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	<u>RM'000</u>	RM'000	<u>RM'000</u>	RM'000
(i) Rental of office space from a company in which a director and/or close members of the family have significant equity interest	161	163	34	36
(ii) Rental of warehouses from two companies in which close members of the family of a Director of the Company have significant equity interest	816	816	-	-



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(d) Key management personnel

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM'000	RM'000	RM'000	RM'000
Key management:				
- fees and allowances	730	806	501	521
- basic salaries and bonus	4,142	4,307	-	-
- defined contribution retirement plan	744	721	-	-
	<u>5,616</u>	<u>5,834</u>	<u>501</u>	<u>521</u>
Estimated monetary value of benefits-in-kind	<u>122</u>	<u>101</u>	<u>-</u>	<u>-</u>

Key management personnel of the Group refer to the Directors of the Company and certain senior management. Included in the key management compensation are Directors' remuneration as disclosed in Note 9 to the financial statements.

30. FINANCIAL INSTRUMENTS BY CATEGORY

<u>Group</u>	<u>2025</u>	<u>2024</u>
	RM'000	RM'000
<u>Financial assets measured at amortised cost</u>		
Trade and other receivables (excluding prepayments)	356,455	347,399
Deposits, cash and cash equivalents	163,470	122,842
	<u>519,925</u>	<u>470,241</u>
<u>Financial asset measured at FVOCI</u>		
Equity securities	<u>5,237</u>	<u>4,835</u>
<u>Financial asset measured at FVTPL</u>		
Unit trust funds	<u>26,055</u>	<u>48,996</u>
<u>Financial liabilities measured at amortised cost</u>		
Trade and other payables (excluding provisions for reinstatement cost and payroll liabilities)	236,117	232,267
Bank borrowings	173,997	176,095
Lease liabilities	75,611	79,349
	<u>485,725</u>	<u>487,711</u>



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

<u>Company</u>	<u>2025</u> RM'000	<u>2024</u> RM'000
<u>Financial assets measured at amortised cost</u>		
Trade and other receivables (excluding prepayments)	1,339	616
Deposits, cash and cash equivalents	28,128	4,079
	<u>29,467</u>	<u>4,695</u>
<u>Financial asset measured at FVOCI</u>		
Equity securities	5,001	4,406
<u>Financial asset measured at FVTPL</u>		
Unit trust funds	25,845	48,836
<u>Financial liabilities measured at amortised cost</u>		
Trade and other payables (excluding provisions for reinstatement cost and payroll liabilities)	773	750
Lease liabilities	42	75
	<u>815</u>	<u>825</u>

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's activities are exposed to a variety of financial risks, including foreign currency exchange risk, interest rate risk, price risk, credit risk and liquidity risk. The Group's and the Company's overall financial risk management objectives are to ensure that the Group and the Company create value for the shareholders. Financial risk management is carried out through internal control systems and adherence to the Group's and the Company's financial risk management policies.

(i) Foreign currency exchange risk

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company are exposed to foreign currency exchange risk as a result of the foreign currency transactions denominated in currencies other than Ringgit Malaysia.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(i) Foreign currency exchange risk (continued)

At the end of the reporting period, the carrying amounts of financial assets and liabilities denominated in currencies other than the functional currency ("MYR") are as follows:

	<u>USD</u> RM'000	<u>SGD</u> RM'000	<u>Total</u> RM'000
<u>Group</u>			
<u>As at 31 December 2025</u>			
Deposits, cash and bank balances	404	11,930	12,334
Financial assets at FVOCI	-	4,318	4,318
Trade and other receivables	-	2,560	2,560
Trade and other payables	-	(3,801)	(3,801)
	<u>404</u>	<u>15,007</u>	<u>15,411</u>
<u>As at 31 December 2024</u>			
Deposits, cash and bank balances	381	21,227	21,608
Financial assets at FVOCI	-	3,772	3,772
Trade and other receivables	-	3,033	3,033
Trade and other payables	-	(5,140)	(5,140)
	<u>381</u>	<u>22,892</u>	<u>23,273</u>
<u>Company</u>			
<u>As at 31 December 2025</u>			
Financial assets at FVOCI	-	4,318	4,318
<u>As at 31 December 2024</u>			
Financial assets at FVOCI	-	3,772	3,772

The currencies giving rise to this risk are primarily United States Dollar ("USD") and Singapore Dollar ("SGD").



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(i) Foreign currency exchange risk (continued)

The following table demonstrates the sensitivity of the Group's and the Company's profit after tax and other comprehensive income and equity, to a reasonably possible change in the USD and SGD exchange rates against the functional currency of the Group and the Company, with all other variables held constant.

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM'000	RM'000	RM'000	RM'000
	Gain	Gain	Gain	Gain
Impact on profit or loss net of tax due to increases in				
USD by 5%:	15	14	-	-
SGD by 5%:	406	721	-	-
	<u><u> </u></u>	<u> </u>	<u> </u>	<u> </u>
Impact on other comprehensive income and equity due to increases in				
SGD by 5%	164	143	164	143
	<u><u> </u></u>	<u> </u>	<u><u> </u></u>	<u> </u>

Decreases in the exchange rates with the same magnitude will have the equal but opposite effects to the amount shown above.

(ii) Interest rate risk

Interest rate risk is the risk that future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises primarily from borrowings issued at floating rates and short term deposits. The Group and the Company do not enter into any financial instruments to hedge movements in interest rates as the risk is deemed to be insignificant.

A reasonable change in the interest rates would not result in a material impact to the Group's results for the financial year.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Price risk (continued)

The Group and the Company are exposed to equity and fund price risk arising from its investment in quoted shares and funds. Quoted shares listed on Stock Exchanges of Malaysia and Singapore are classified as FVOCI, while the funds are classified as FVTPL.

At the end of the reporting period, if the share price of the marketable securities had been 2% higher/lower, with all other variables held constant, the Group's and Company's other reserves would have been RM105,000 and RM100,000 (2024: RM97,000 and RM88,000) higher/lower respectively, arising as a result of an increase/decrease in the fair value of these marketable securities.

Similarly, if the fund price of the marketable funds had been 2% higher/lower, with all other variables held constant, the Group's and Company's profit before tax would have been RM521,000 and RM517,000 (2024: RM980,000 and RM977,000) higher/lower respectively, arising as a result of an increase/decrease in the fair value of these marketable funds.

(iv) Credit risk

Financial assets that potentially subject the Group's exposure to credit risk arise mainly from cash and cash equivalents, deposits with financial institutions and contractual cash flows of debt instruments carried at amortised cost and FVTPL.

(a) Risk management

Credit risk with respect to receivables are limited as the Group and the Company do not have any significant exposure to any individual customer or counterparty. The Group and the Company's credit risks are minimised through effective monitoring of receivables and suspension of sales to customers whose accounts exceed the stipulated credit terms. Credit limits are set and credit history is reviewed to minimise potential losses.

The Group's cash and cash equivalents, deposits with financial institutions and debt instruments carried at FVTPL are placed with creditworthy financial institutions and the risks arising thereof are minimised in view of the financial strength of these financial institutions.

The Company also provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly. As at end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. There was no indication that the advances to the subsidiaries are not recoverable.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iv) Credit risk (continued)

(b) Impairment of financial assets

The Group and the Company have the following financial instrument that are subject to the expected credit loss model:

- Trade receivables from goods sold or services performed
- Deposits and other receivables
- Amounts due from subsidiaries
- Financial guarantee contracts

While cash and cash equivalents are also subject to the impairment of MFRS 9, the identified impairment loss was immaterial.

Trade receivables using simplified approach

The Group applies the simplified approach under MFRS 9 to measure expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. To measure the expected losses, trade receivables have been grouped based on shared credit risk characteristics.

The expected loss rates are based on historical payment profiles of sales and the corresponding historical credit losses experienced within these periods. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Malaysia Consumer Price Index ("MACPI") and Overnight Policy Rate ("OPR") to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iv) Credit risk (continued)

(b) Impairment of financial assets (continued)

Deposits, other receivables, amounts due from subsidiaries and financial guarantee contracts

The Group and the Company use four categories to reflect their credit risk and how the loss allowance is determined for deposits, other receivables and amounts due from subsidiaries which are subject to expected credit losses under the 3-stage general approach. A summary of the assumptions which underpin the expected credit losses model is as follows:

Category	Company's definition of category	Basis for recognising ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows.	12 months ECL
Under-performing	Debtors for which there is a significant increase in credit risk or significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due.	Lifetime ECL
Non-performing	Interest and/or principal repayments are 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.	Asset is written off

Information in respect of the loss allowance for trade and other receivables is disclosed in Note 22.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iv) Credit risk (continued)

(b) Impairment of financial assets (continued)

Maximum exposure to credit risk

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets:

31 December 2025	Current	Less than 30 days past due	More than 30 days to 60 days past due	More than 60 days to 90 days past due	More than 90 days past due	Total
Expected loss rate	0% - 1.1%	0.1% - 1.4%	0.1% - 4.3%	0.2% - 14.5%	0.4% - 100%	
Gross carrying amount – trade receivables (RM'000)	154,866	120,635	53,673	21,957	26,977	378,108
Loss allowance (RM'000)	(767)	(820)	(1,059)	(8,070)	(22,500)	(33,216)
Carrying amount (net of loss allowance) (RM'000)	154,099	119,815	52,614	13,887	4,477	344,892



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iv) Credit risk (continued)

(b) Impairment of financial assets (continued)

Maximum exposure to credit risk (continued)

31 December 2024	Current	Less than 30 days past due	More than 30 days to 60 days past due	More than 60 days to 90 days past due	More than 90 days past due	Total
Expected loss rate	0.0% - 3.9%	0.1% - 7.8%	0.4% - 19.0%	1.2% - 53.4%	2.8% - 100%	
Gross carrying amount – trade receivables (RM'000)	131,068	136,874	55,756	18,251	21,438	363,387
Loss allowance (RM'000)	(558)	(826)	(887)	(8,863)	(17,004)	(28,138)
Carrying amount (net of loss allowance) (RM'000)	130,510	136,048	54,869	9,388	4,434	335,249



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iv) Credit risk (continued)

(b) Impairment of financial assets (continued)

Maximum exposure to credit risk (continued)

The ECL exposure to deposits and other receivables is immaterial to the financial statements as a whole. The amounts due from subsidiaries are repayable on demand. Hence, ECL are based on the assumption that repayment of amounts is demanded at the reporting date, with short contractual period for payment. In the case of the Company, allowance for impairment loss is made where the subsidiaries have insufficient assessable high liquid assets to repay the balances if demanded at the reporting date. Information in respect of the allowance for impairment loss for amounts due from subsidiaries is disclosed in Note 22.

Financial guarantee contracts

The Company provides unsecured financial guarantees to banks and trade payables in respect of banking facilities and credit limits granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

The maximum exposure to credit risk amounts to RM193 million (2024: RM192 million) representing the financial guarantee contracts issued by the Company in respect of the outstanding banking facilities and trade payables of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was low risk that any subsidiary would default on repayment. Accordingly, the financial guarantee contracts are categorised under the performing category.

(c) Fixed deposits and cash and bank balances

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM'000	RM'000	RM'000	RM'000
<u>Deposits, cash and bank</u>				
<u>balances</u>				
Counterparties with external				
credit rating:				
- AAA	100,373	54,119	28,127	4,078
- AA	59,265	63,906	1	1
- A+	3,617	4,001	-	-
	<u>163,255*</u>	<u>122,026*</u>	<u>28,128</u>	<u>4,079</u>

*excludes cash in hand of the Group amounting to RM111,000 (2024:RM118,000).



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(v) Liquidity risk

The Group and the Company actively manage their operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash to meet their working capital requirements. The Group and the Company aim at maintaining flexibility in funding by keeping committed credit lines available.

The table below analyses the Group's and the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RM'000	Between 2 and 5 years RM'000	More than 5 years RM'000	Total RM'000
<u>As at 31 December 2025</u>				
<u>Group</u>				
Trade and other payables	236,117	-	-	236,117
Borrowings	165,097	8,900	-	173,997
Lease liabilities	16,870	38,576	36,534	91,980
	<u>418,084</u>	<u>47,476</u>	<u>36,534</u>	<u>502,094</u>
	Less than 1 year RM'000	Between 2 and 5 years RM'000	More than 5 years RM'000	Total RM'000
<u>Company</u>				
Trade and other payables	773	-	-	773
Financial guarantee contracts:				
- given to subsidiaries' bank borrowings	148,968	-	-	148,968
- given to trade payables of the subsidiaries	43,840	-	-	43,840
Lease liabilities	34	8	-	42
	<u>193,615</u>	<u>8</u>	<u>-</u>	<u>193,623</u>



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(v) Liquidity risk (continued)

	Less than <u>1 year</u> RM'000	Between 2 <u>and 5 years</u> RM'000	More than <u>5 years</u> RM'000	<u>Total</u> RM'000
<u>As at 31 December 2024</u>				
<u>Group</u>				
Trade and other payables	232,267	-	-	232,267
Borrowings	174,632	-	-	174,632
Lease liabilities	16,327	42,913	38,423	97,663
	<u>423,226</u>	<u>42,913</u>	<u>38,423</u>	<u>504,562</u>
<u>Company</u>				
Trade and other payables	750	-	-	750
Financial guarantee contracts:				
- given to subsidiaries' bank borrowings	167,145	-	-	167,145
- given to trade payables of the subsidiaries	24,496	-	-	24,496
Lease liabilities	75	-	-	75
	<u>192,466</u>	<u>-</u>	<u>-</u>	<u>192,466</u>

Management exercised judgement in establishing the view that the chances of these financial guarantee contracts being called upon are remote, and that there is no material fair value accreting to the guarantor or the beneficiaries.

(vi) Fair value estimation

The different levels have been defined as follows:

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

Other than financial assets at FVOCI and FVTPL, the carrying values of trade and other receivables, trade and other payables, borrowings and deposits, cash and bank balances, approximate their fair values as at the reporting date. The Group and the Company measure the financial assets at FVOCI and FVTPL as Level 1 in the fair value hierarchy of MFRS 13.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32. CAPITAL RISK MANAGEMENT

The Group's and the Company's objectives in managing capital are to ensure that the Group and the Company maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. There were no changes in the objective, policies or processes during the financial year.

The Group monitors capital utilisation on the gearing ratio. The gearing ratio represents total borrowings divided by total capital while total capital represents equity attributable to the owners of the Company.

The gearing ratio is as follows:

<u>Group</u>	<u>2025</u> <u>RM'000</u>	<u>2024</u> <u>RM'000</u>
Total borrowing	173,997	176,095
Equity attributable to the owners of the Company	478,526	458,256
Gearing ratio (%)	36%	38%

The Group and the Company were in compliance with the financial debt covenants imposed by the financial institutions for the financial year ended 31 December 2025 and 31 December 2024.

33. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 24 April 2026.



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HARRISONS HOLDINGS (MALAYSIA) BERHAD
(Incorporated in Malaysia)
Registration No. 199001003108 (194675-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Harrisons Holdings (Malaysia) Berhad (“the Company”) and its subsidiaries (“the Group”) give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 78 to 144.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

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

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.



INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF HARRISONS HOLDINGS (MALAYSIA) BERHAD

(Incorporated in Malaysia)

Registration No. 199001003108 (194675-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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 matter	How our audit addressed the key audit matter
Provision of inventory obsolescence	
<p>As at 31 December 2025, the Group's inventory balance totalled RM260.5 million, net of provision for inventory obsolescence of RM14.4 million. The provision for inventory obsolescence is estimated by management based on the ageing and expiry profiles of the inventories by category to determine the net realisable value.</p> <p>We focused on this area as critical assumptions are made by management in determining the valuation of inventories and due to this, there is inherent risk in estimating the net realisable values for these inventories. As described in Note 4(a) - Critical accounting estimates and judgements on provision for inventory obsolescence, inventories are carried at the lower of costs and net realisable values. Thus, management is required to make critical assumptions in assessing the estimated net realisable amounts for inventories, taking into the consideration the associated factors giving rise to slow moving items, changing market conditions, availability of substitutes, responses by competitors among others in determining the level of inventory obsolescence.</p> <p>Refer to group financial statements Note 3(j) - Material accounting policies for inventories, Note 4(a) - Critical accounting estimates and judgements on provision for inventory obsolescence and Note 21 - Inventories to the financial statements.</p>	<p>Our audit procedures on the testing of provision for inventory obsolescence were as follows:</p> <ul style="list-style-type: none"> a) We obtained an understanding of management's policy and the method used by them in assessing the provision for inventory obsolescence; b) We obtained the reports used by management in estimating the applicable rates used for provision for inventory obsolescence to test the completeness and accuracy of the underlying data: <ul style="list-style-type: none"> i) agreed the total inventory value in the inventory ageing and expiry reports generated from the system to the general ledger as at 31 December 2025 to ensure the completeness of these reports; ii) checked goods receipt dates to the respective suppliers' invoices and goods receipts notes, to ensure the ageing of each category of inventory are classified accurately, on a sampling basis. This is performed to ascertain the accuracy of inventory ageing reports generated from the system; and iii) sighted expiry dates to product packaging based on the respective expiry bands, on a sampling basis. This is performed to ascertain the accuracy of inventory expiry reports generated from the system. c) We compared our independently computed estimated rate of provision for inventory obsolescence for each category of inventory with the rate of allowance applied by management to assess the adequacy of allowance;



INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF HARRISONS HOLDINGS (MALAYSIA) BERHAD
(Incorporated in Malaysia)
Registration No. 199001003108 (194675-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Provision of inventory obsolescence (continued)	
	<p>d) We assessed the latest selling prices after the financial year end to ascertain whether inventories are carried at the lower of cost or net realisable value and examined on a sampling basis, the selling prices to sales invoices issued to customers; and</p> <p>e) We reviewed the adequacy of disclosures in the financial statements.</p> <p>Based on audit procedures performed, no material exceptions were noted.</p>
Loss allowance for trade receivables	
<p>As at 31 December 2025, the Group's trade receivable balance was RM344.9 million, net of loss allowance of RM33.2 million. The loss allowance of trade receivables computed by management is based on expected loss rates of each ageing band. These historical loss rates are adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables such as Malaysia Consumer Price Index ("MACPI") and Overnight Policy Rate ("OPR").</p> <p>We focused on this area as the expected credit loss assessment involves significant estimate to determine the loss rate to be applied to each ageing band of trade receivables. There is inherent risk in determining the impact of critical assumptions applied by the management in estimating the level of loss allowance required for trade receivables.</p> <p>Refer to the Group financial statements Note 3(f)(ii) - Material accounting policies for impairment of debt instruments and financial guarantee contracts, Note 4(b) - Critical accounting estimates and judgements on loss allowance for trade receivables and Note 22 - Trade and other receivables.</p>	<p>Our audit procedures on loss allowance of trade receivables were as follows:</p> <p>a) We obtained an understanding of and evaluated management's grouping of trade receivables based on shared credit risk characteristics and days past due;</p> <p>b) We obtained debtor ageing reports and tested the underlying data used by management in estimating the loss rate by using procedures outlined below to ascertain whether debtor ageing reports generated from the system are complete and accurate:</p> <p>i) agreed total of the debtor ageing reports to management accounts i.e General Ledger as at 31 December 2025 to ensure completeness of data used in these reports; and</p> <p>ii) sighted to invoices to ensure receivable balances are classified accurately into each age bracket, on sampling basis.</p> <p>c) We used the historical payment profile of sales and corresponding historical credit losses to independently estimate the loss rate of trade receivables;</p>



INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF HARRISONS HOLDINGS (MALAYSIA) BERHAD
(Incorporated in Malaysia)
Registration No. 199001003108 (194675-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Loss allowance for trade receivables (continued)	
	<p>d) We subsequently compared our estimated loss rate of trade receivables in each age bracket for each category of trade receivables with the loss rate applied by management to assess the sufficiency of the loss allowance made;</p> <p>e) We obtained supporting documents such as letter of demand for credit-impaired debtors under individual assessment for specific provisions; and</p> <p>f) We reviewed the adequacy of disclosures in the financial statements.</p> <p>Based on the audit procedures performed, no material exceptions were noted.</p>

We have determined that there are no key audit matters to report for the Company.

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 Chairman's Statement, Management Discussion and Analysis, Sustainability Statement, Corporate Governance Overview Statement, Statement of Directors' Responsibility, Statement on Risk Management and Internal Control, Report of the Audit Committee and Directors' 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.



INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF HARRISONS HOLDINGS (MALAYSIA) BERHAD
(Incorporated in Malaysia)
Registration No. 199001003108 (194675-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of the Directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.



INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF HARRISONS HOLDINGS (MALAYSIA) BERHAD
(Incorporated in Malaysia)
Registration No. 199001003108 (194675-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 19 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.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

TAY CHOON LING
03794/10/2027 J
Chartered Accountant

Kuala Lumpur
24 April 2026



LIST OF PROPERTIES

AS AT 31 DECEMBER 2025

Registered Owner	Location	Existing use	Tenure of land	Land area (square meters)	Built-up area/approx. age of building (square meters)	Date of acquisition/ last revaluation	Net book value as at 31.12.2025 RM'000
JWSB	Lot 9, Section 20A, Jalan P. P. Narayanan (Jalan 222) Town of Petaling Jaya, District of Petaling, PJ	Single office Building and single-storey godown	99 years lease expiring on 09.06.2065	6,324.00	2,688.90/ 60 years since 1966	13.03.1986	1,865
JWSB	Unit No. A-7-1, Dua Residency, Jalan Tun Razak, Kuala Lumpur	Condominium	Freehold	2,315.00	19 years Since 2007	27.08.2004	837
HPSB	Lot PTD 19965, Mukim of Pulau, District of Johor Bahru	Three storey corner shophouses	99 years – lease expiring on 29.03.2082	244.24	637.00/ 37 years since 1989	31.12.1990	114
HPSB	Lot No. PT. 4163, Mukim of Kapar, District of Klang, Selangor	2 storey office block with a single storey warehouse	99 years – lease expiring on 09.06.2086	6,066.80	3,042.00/ 44 years since 1982	31.12.1990	1,028
HPSB	Mukim of Kundor, District of Rembau, Negeri Sembilan HS(D)3529-PT655 HS(D)3530-PT656 HS(D)3549-PT675 HS(D)3588-PT714	Vacant Land	Freehold	- 4,378.69 4,823.84 4,075.18 4,050.90	-	26.08.2003	328
HSarawak	Lot 16, Section 22 Kuching Town Land District	2 storey office block with 2, adjoining warehouse	853 years – lease expiring on 31.12.2790	5,666.00	2,084.31/ 40 years	31.12.1990	997
HSabah	H.S (D) No 9914 P.R No. 13789, Mk Bentong, Daerah Bentong, Ng Pahang Lot A322 Tanarimba Janda Baik, Pahang	Two storey Bungalow	99 years lease expiring on 08.09.2095	5,018.83	-	26.03.2008	443
HSabah	Kota Kinabalu Town Lease No. 017503856	3 storey office building	999 years – lease expiring on 23.04.2910	929.00	2,092.45/ 65 years	07.05.1990	3,200
HSabah	Kota Kinabalu Town Lease No. 017511661	2 storey office building	99 years – lease expiring on 26.02.2089	445.92	463.77/ 55 years	07.05.1990	597
HSabah	Likas Industrial Estate Kota Kinabalu, Country Lease No. 015358871	2 storey godown	60 years - lease expiring on 31.12.2028	3,685.46	2,498.99/ 40 years	07.05.1990	37
HSabah	Jalan Istana Town Lease No. 017564260 and 017503141	2 storey bungalow	999 years lease expiring on 12.07.2909 for TL 017564260 99 years lease expiring on 22.07.2053 for TL 017503141	8,297.91	376.44/ 69 years	07.05.1990	671



LIST OF PROPERTIES (CONT'D)

AS AT 31 DECEMBER 2025

Registered Owner	Location	Existing use	Tenure of land	Land area (square meters)	Built-up area/approx. age of building (square meters)	Date of acquisition/ last revaluation	Net book value as at 31.12.2025 RM'000
HSabah	Sandakan Town Lease No. 077504182	3 storey office building	999 years lease expiring on 18.02.2915	925.40	1,309.37/ 67 years	07.05.1990	2,271
HSabah	Sandakan Town Lease No. 077544220	Single storey godown	999 years lease expiring on 30.06.2911	5,989.35	2,090.32/ 40 years	07.05.1990	1,941
HSabah	Tawau Town Lease No. 107504521	2 storey office building cum car showroom	99 years lease expiring on 06.04.2054	929.00	1,039.00/ 40 years	07.05.1990	863
HSabah	Tawau CL105498224	Warehouse	99 years lease expiring on 31.10.2050	6,947.06	2,322.50/ 40 years	30.09.2004	3,527
HSabah	Jalan Merdeka, Labuan Grant No. 207503857	2 storey office building with a godown	999 years lease expiring on 30.06.2901	2,136.77	738.20/ 67 years	07.05.1990	1,839
HSabah	Jalan Merdeka, Labuan Grant No. 207503866	Temporary open space storage	99 years expiring on 27.02.2051	3,530.32	-	07.05.1990	1,134
HSabah	Lahad Datu TL 117508559	Warehouse	99 years lease expiring on 26.01.2066	6,377.86	2,136.70/ 40 years	31.12.1999	975
HSabah	Labuan Suburban Grant No. 346 / 27903446	Vacant Land	999 years lease expiring on 03.11.2880	1.65 acres	-	14.11.2003	1
HSabah	Labuan Suburban Grant No. 347 / 20790507	Vacant Land	999 years lease expiring on 01.02.2854	2.5 acres	-	14.11.2003	1
Famous Amos	Ubi Techpark, Singapore	Office and factory area	60 years lease expiring on 04.07.2057	372.00	372.00/ 46 years	9.4.2018	3,735
Jantoco Realty	Kota Kinabalu Industrial Park (KKIP), Sabah	Vacant Land	99 years lease expiring on 31.12.2096	9,782.00 acres	-	12.9.2022	32,901

Abbreviation:

JWSB	:	J. Whyte (Malaysia) Sdn. Bhd.
HPSB	:	Harrisons Peninsular Sdn. Bhd.
HSabah	:	Harrisons Sabah Sdn. Bhd.
HSarawak	:	Harrisons Sarawak Sdn. Bhd.
Famous Amos	:	The Famous Amos Chocolate Chip Cookie Singapore Pte. Ltd.
Jantoco Realty	:	Jantoco Realty Sdn. Bhd.



ANALYSIS OF SHAREHOLDINGS

AS AT 30 MARCH 2026

Issued share capital	-	342,446,000 ordinary shares (inclusive of 65,000 treasury shares)
Class of shares	-	Ordinary shares
No. of shareholders	-	2,421
Voting right	-	One (1) vote per ordinary share

LIST OF SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Names	Direct Interest		Indirect Interest	
	No. of Shares	% ^	No. of Shares	% ^
1. Bumi Raya International Holding Company Limited	140,026,155 ¹	40.89	4,935,000 ⁺	1.44
2. Dunway Holdings Limited	22,904,085 ²	6.69	12,611,500 [*]	3.68
3. Goodwin Investment Private Limited	23,569,000 ³	6.88	-	-
4. Barkeley International Limited	-	-	23,569,000 ^{**}	6.88

1. Bumi Raya International Holding Company Limited held through:

No. of shares

- DB (Malaysia) Nominee (Asing) Sdn. Bhd.
Exempt An for Deutsche Bank AG Singapore (Asing WM CLT) 140,026,155

2. Dunway Holdings Limited held through:

No. of shares

- Citigroup Nominees (Asing) Sdn. Bhd.
Exempt An for UBS AG Singapore (Foreign) 22,904,085

3. Goodwin Investment Private Limited held through:

No. of shares

- Goodwin Investment Private Limited 6,500,000
- UOB Kay Hian Nominees (Asing) Sdn. Bhd.
Exempt An for UOB Kay Hian Pte Ltd (A/C Clients) 17,069,000

23,569,000

Notes:

- [^] Excluding 65,000 Harrisons Shares bought back by Harrisons and retained as treasury shares.
- ⁺ Deemed interested through Jantoco Holdings Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.
- ^{*} Deemed interested through Jantoco Properties Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.
- ^{**} Deemed interested through Goodwin Investment Private Limited by virtue of Section 8 of the Companies Act 2016



ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 30 MARCH 2026

Names	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
1. Chang Kon Sang	-	-	-	-
2. Tan Phwe Leng (Tan Phe Lin @ Mariana Adjianto)	45,000	0.01	-	-
3. Wong Yoke Kong	845,000	0.25	-	-
4. Felix Leong	-	-	-	-
5. Datuk Lim Tong Lee	-	-	-	-
6. Chen Ying Zhong, Freddy	-	-	962,000	0.28

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Total Issued Share Capital
Less than 100	50	2.0653	911	0.0003
100 – 1,000	243	10.0372	150,627	0.0440
1,001 – 10,000	1,277	52.7468	7,188,967	2.0993
10,001 – 100,000	704	29.0789	23,279,645	6.7980
100,001 - Less than 5% of issued shares	143	5.9067	89,308,410	26.0796
5% and Above of Issued shares	4	0.1652	222,517,440	64.9788
TOTAL	2,421	100.0000	342,446,000	100.0000



ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 30 MARCH 2026

THIRTY (30) LARGEST SECURITIES HOLDERS (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTERED HOLDER)

	Name	No. of Shares Held	%
1.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. <i>Exempt An for Deutsche Bank AG Singapore (Asing WM CLT)</i>	150,026,155	43.81
2.	Citigroup Nominees (Asing) Sdn. Bhd. <i>Exempt An for UBS AG Singapore (Foreign)</i>	32,508,285	9.49
3.	Citigroup Nominees (Asing) Sdn. Bhd. <i>Exempt An for OCBC Securities Private Limited (Client A/C-NR)</i>	21,822,000	6.37
4.	UOB Kay Hian Nominees (Asing) Sdn. Bhd. <i>Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)</i>	18,161,000	5.30
5.	Jantoco Properties Sdn. Bhd.	12,611,500	3.68
6.	Goodwin Investment Private Limited	6,500,000	1.90
7.	CIMB Group Nominees (Asing) Sdn. Bhd. <i>Exempt An for DBS Bank Ltd (SFS-PB)</i>	5,673,000	1.66
8.	Jantoco Holdings Sdn. Bhd.	4,935,000	1.44
9.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. <i>Deutsche Bank AG Singapore for Yeoman 3-Rights Value Asia Fund (PTSL)</i>	3,679,900	1.07
10.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lim Kong Hwee (E-KPG/SGK)</i>	2,335,000	0.68
11.	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Teo Kwee Hock</i>	1,914,300	0.56
12.	Lim Ah Hua	1,699,000	0.50
13.	Teuh Chin Yap	1,665,000	0.49
14.	Teo Kock Sei	1,522,600	0.45
15.	HSBC Nominees (Asing) Sdn. Bhd. <i>Exempt An for Bank Julius Baer & Co. Ltd. (Singapore Bch)</i>	1,500,000	0.44
16.	CIMB Group Nominees (Asing) Sdn. Bhd. <i>Exempt An for DBS Bank Ltd (SFS)</i>	1,471,500	0.43
17.	Affin Hwang Nominees (Asing) Sdn. Bhd. <i>DBS Vickers Secs (S) Pte Ltd For Yeo Seng Chong</i>	1,375,000	0.40
18.	Liau Keen Yee	1,281,500	0.37
19.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lim Kong Hwee (E-KPG/SGK)</i>	1,166,500	0.34



ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 30 MARCH 2026

THIRTY (30) LARGEST SECURITIES HOLDERS (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTERED HOLDER)

	Name	No. of Shares Held	%
20.	AMSEC Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Raymond Wee Seng Bin</i>	1,105,000	0.32
21.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Tuan Phin (Jalan Dedap-CI)</i>	1,088,000	0.32
22.	HLB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Soo Sie</i>	1,065,500	0.31
23.	Lim Wee Chin	1,019,500	0.30
24.	Public Invest Nominees (Asing) Sdn. Bhd. <i>Exempt An for Phillip Securities Pte Ltd (Clients)</i>	962,000	0.28
25.	Ng Su Peng	875,000	0.26
26.	Yew On Teck	865,800	0.25
27.	Wong Yoke Kong	845,000	0.25
28.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ling Hew Teng (E-BTL)</i>	842,220	0.25
29.	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Teo Siew Lai</i>	801,900	0.23
30.	Tan Kok Tong	800,000	0.23
	Total	282,117,160	82.38

HARRISONS HOLDINGS (MALAYSIA) BERHAD
[REGISTRATION NO. 199001003108 (194675-H)]
(INCORPORATED IN MALAYSIA)

NOTICE OF THIRTY-SIXTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Sixth Annual General Meeting (“36th AGM”) of Harrison Holdings (Malaysia) Berhad (“the Company”) will be held at Batu Road Ballroom, Level 3, Ideas Kuala Lumpur Hotel, 12 Jalan Raja Laut, 50350 Kuala Lumpur, W.P. Kuala Lumpur on Thursday, 18 June 2026 at 10.30 a.m. or at any adjournment thereof, for the purpose of considering the following businesses:-

A G E N D A

As Ordinary Business:

- | | | |
|----|--|--|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2025 and the Reports of the Directors and Auditors thereon. | Please refer to Explanatory Note (i) |
| 2. | To re-elect the following Directors who are retiring by rotation in accordance with Clause 97 of the Constitution of the Company and being eligible, have offered themselves for re-election:-
(i) Mr Chang Kon Sang
(ii) Datuk Lim Tong Lee | Ordinary Resolution 1
Ordinary Resolution 2 |
| 3. | To re-elect Mr Chen Ying Zhong, Freddy who is retiring by rotation in accordance with Clause 104 of the Constitution of the Company and being eligible, has offered himself for re-election. | Ordinary Resolution 3 |
| 4. | To approve the payment of Directors’ fees of RM489,070/- for the financial year ended 31 December 2025. | Ordinary Resolution 4 |
| 5. | To approve the payment of Directors’ benefit payable to the Non-Executive Directors of the Company up to an aggregate amount of RM7,500/- for the period from 19 June 2026 to 31 December 2026. | Ordinary Resolution 5 |
| 6. | To re-appoint Messrs. PricewaterhouseCoopers PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | Ordinary Resolution 6 |

As Special Business:

To consider and if thought fit, pass the following Ordinary Resolutions with or without modifications:

- | | | |
|----|--|------------------------------|
| 7. | FINAL SINGLE-TIER DIVIDEND

“THAT a final single-tier dividend of 6.5 sen per ordinary share in respect of the financial year ended 31 December 2025 be hereby approved for payment on 18 August 2026.” | Ordinary Resolution 7 |
|----|--|------------------------------|

8. AUTHORITY TO ISSUE AND ALLOT SHARES

Ordinary Resolution 8

“THAT subject always to the Companies Act 2016, Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Section 75 of the Companies Act 2016 to issue and allot not more than ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company pursuant to Section 76 of the Companies Act 2016.

THAT the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof.

THAT in connection with the above, pursuant to Section 85 of the Companies Act 2016, to be read together with Clause 54 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered with new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares in the Company pursuant to this mandate.

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 other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.”

9. To transact any other ordinary business of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of the shareholders at the 36th AGM, a final single-tier dividend of 6.5 sen per ordinary share in respect of the financial year ended 31 December 2025, if approved, will be payable on 18 August 2026 to shareholders whose names appear in the Record of Depositors on 17 July 2026.

A depositor shall qualify for entitlement to the dividend only in respect of:-

- a) Securities transferred into the Depositor's Securities Account before 4:30 p.m. on 17 July 2026 in respect of transfers; and
- b) Securities bought on the Bursa Malaysia Securities Berhad (“Bursa Securities”) on a cum entitlement basis according to the Rules of the Bursa Securities.

BY ORDER OF THE BOARD

LOW KONG CHOON (MAICSA 0818548 & SSM PC No. 202308000611)

TAN BEE HWA (MAICSA 7058049 & SSM PC No. 202008001174)

QWIK TSAE YNG (MAICSA 7053568 & SSM PC No. 202308000539)

Company Secretaries

Kuala Lumpur

30th day of April 2026

NOTES:-

1. A member of the Company who is entitled to attend, participate, speak and vote at a general meeting of the Company is entitled to appoint a proxy/proxies to attend, participate, speak and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy and the proxy shall have the same rights as the member.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
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 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 as defined under the Securities Industry (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. Where the exempt authorised nominee appoints two (2) or more proxies to attend and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.
5. A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at the 36th AGM must submit instrument appointing a proxy. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if such appointer is a corporation, either under its common seal or under the hand of its officer or attorney duly authorised.
6. The instrument appointing a proxy must be made in a hard copy form or by electronic means, not less than 48 hours before the time appointed for holding the 36th AGM, as follows:-
 - (a) In hardcopy form

The original instrument appointing a proxy ("Proxy Form") must be deposited at the office of the Company's Share Registrar, Sctrars Management Sdn. Bhd. at Lot 9-7, Menara Sentral Vista, No.150, Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur.
 - (b) By electronic means

The proxy form can be electronically lodged with the Poll Administrator of the company via Dvote Online website at <https://www.dvote.my> . The procedure to submit your Proxy Form electronically is outlined below under "**Procedures to Register and Participate at the AGM**". The electronically Proxy Form submission applicable for the individual shareholders only and corporation required to send hard copy Proxy Form.
7. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
8. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Clause 62 of the Constitution of the Company, a Record of Depositors as at 11 June 2026 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

Explanatory notes on Ordinary and Special Business

(i) **Item 1 of the Agenda**
- Audited Financial Statements for the financial year ended 31 December 2025

The Audited Financial Statements under this agenda item is meant for discussion only as the provision of Section 248 and Section 340 (1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders and hence this item is not put forward for voting.

(ii) **Items 2 and 3 of the Agenda (Ordinary Resolutions 1, 2 and 3)**
- Re-election of Directors

In accordance with the Constitution of the Company, the following Directors are retiring by rotation:

Pursuant to Clause 97 of the Constitution

1. Mr Chang Kon Sang; and
2. Datuk Lim Tong Lee

Pursuant to Clause 104 of the Constitution

Mr Chen Ying Zhong, Freddy

The profiles of the retiring Directors are set out in the Annual Report 2025.

The Nomination Committee (“NC”), having taken into account the Board Evaluation Assessment, including the results of assessment for the above retiring directors, and concurred that they have met the Board’s expectation in terms of experience, expertise, integrity, competency, commitment and individual contribution by continuously performing their duties diligently as Director of the Company.

The Board recommended Mr Chang Kon Sang, Datuk Lim Tong Lee and Mr Chen Ying Zhong, Freddy to be re-elected as Directors of the Company.

(iii) **Items 4 and 5 of the Agenda (Ordinary Resolutions 4 and 5)**
- Directors’ Fees and Directors’ Benefit payable to the Board of the Company and its subsidiaries

Section 230(1) of the Companies Act 2016 provides amongst others, that “the fees” of the directors and “any benefits” payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agree that the shareholders’ approval shall be sought at the 36th AGM on the Directors’ remuneration in two (2) separate resolutions as below:-

Ordinary Resolution 4: Directors’ Fees

The payment of the Directors’ fees for the financial year ended 31 December 2025 will only be made if the proposed Ordinary Resolution 4 has been passed at the 36th AGM pursuant to Clause 105 of the Company’s Constitution and Section 230(1) of the Companies Act 2016.

Ordinary Resolution 5: Directors’ Benefit

The Directors’ benefit comprises only the meeting allowances payable to the Non-Executive Directors of the Company.

The total amount of meeting allowances of RM7,500/- is derived from the number of scheduled and unscheduled meetings (when necessary) and the number of Directors involved in these meetings.

The Board is of the view that it is just and equitable for the Directors to be paid the Directors' meeting allowances as and when incurred, particularly after having discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout the period from 19 June 2026 to 31 December 2026.

**(iv) Item 6 of the Agenda (Ordinary Resolution 6)
- Re-Appointment of Auditors**

The Audit Committee ("AC") has carried out an assessment of the suitability, objectivity and independence of the external auditors, Messrs. PricewaterhouseCoopers PLT ("PwC") and was satisfied with the suitability of PwC based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group.

The Board therefore approved the AC's recommendation on the re-appointment of PwC as the external auditors of the Company be put forward for the shareholders' approval at the forthcoming 36th AGM.

**(v) Item 8 of the Agenda (Ordinary Resolution 8)
- Authority to Issue and Allot Shares**

The proposed Ordinary Resolution 8, if passed, will give flexibility to the Directors to issue shares to such persons at any time in their absolute discretion without convening a general meeting. This authorisation will expire at the conclusion of next Annual General Meeting ("AGM") of the Company.

The purpose of this new general mandate is for possible fund-raising exercises, including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.

The previous mandate obtained from the members at the last AGM was not utilised and, accordingly no proceeds were raised.

By voting in favour of this proposed resolution, the shareholders of the Company are deemed to have waived their pre-emptive rights pursuant to Section 85(1) of the Companies Act 2016 and Clause 54 the Company's Constitution to be first offered any new shares ranking equally to the existing issued shares of the Company under this general mandate which will result in a dilution of their shareholding percentage in the Company.

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HARRISONS HOLDINGS (MALAYSIA) BERHAD

Registration No. 199001003108 (194675-H)

(Incorporated in Malaysia)

PROXY FORM

No. of Shares held	
CDS Account No.	

*I/We (full name in block letters) _____,

(NRIC No./Passport No./Registration No.) _____

of (Address) _____

_____ and

(Email address/Tel No.) _____

being a Member/Member(s) of **HARRISONS HOLDINGS (MALAYSIA) BERHAD** (the "Company"), hereby appoint the following person(s):-

Name of Proxy	*NRIC No./ Passport No.	Email/Contact No.	Proportion of Shareholdings (%)
1.			
2.			

or failing *him/her,*THE CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us on *my/our behalf at the Thirty-Sixth Annual General Meeting ("36th AGM") of the Company, to be held at Batu Road Ballroom, Level 3, Ideas Kuala Lumpur Hotel, 12 Jalan Raja Laut, 50350 Kuala Lumpur, W.P. Kuala Lumpur on Thursday, 18 June 2026 at 10.30 a.m. or at any adjournment thereof and to vote as indicated below:-

Ordinary Business		Ordinary Resolution	For	Against
1	To re-elect Mr Chang Kon Sang as Director	Resolution 1		
2	To re-elect Datuk Lim Tong Lee as Director	Resolution 2		
3	To re-elect Mr Chen Ying Zhong, Freddy as Director	Resolution 3		
4	To approve the payment of Directors' Fees for the financial year ended 31 December 2025	Resolution 4		
5	To approve the payment of Directors' benefits payable to the Non-Executive Directors of the Company for the period from 19 June 2026 to 31 December 2026	Resolution 5		
6	To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company	Resolution 6		
Special Business				
7	To approve Final Single-Tier Dividend	Resolution 7		
8	To approve authority to Issue and Allot Shares	Resolution 8		

Mark either box if you wish to direct the proxy how to vote. If no mark is made the proxy may vote on the resolution or abstain from voting as the proxy thinks fit. If you appoint two proxies and wish them to vote differently this should be specified.

If you wish to appoint other person(s) to be your proxy/proxies, kindly delete the words "The Chairman of the Meeting" and insert the name(s) of the person(s) desired.

* *Delete if not applicable.*

Signed this _____ day of _____, 2026

Signature of shareholder_____
Common seal is to be affixed here
if shareholder is a corporation

Notes:

1. A member of the Company who is entitled to attend, participate, speak and vote at a general meeting of the Company is entitled to appoint a proxy/ proxies to attend, participate, speak and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy and the proxy shall have the same rights as the member.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
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 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 as defined under the Securities Industry (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. Where the exempt authorised nominee appoints two (2) or more proxies to attend and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.
5. A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at the 36th AGM must submit instrument appointing a proxy. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if such appointer is a corporation, either under its common seal or under the hand of its officer or attorney duly authorised.
6. The instrument appointing a proxy must be made in a hard copy form or by electronic means, not less than 48 hours before the time appointed for holding the 36th AGM, as follows:-
 - (a) In hardcopy form
The original instrument appointing a proxy ("Proxy Form") must be deposited at the office of the Company's Share Registrar, Sectrars Management Sdn. Bhd. at Lot 9-7, Menara Sentral Vista, No.150, Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur.
 - (b) By electronic means
The proxy form can be electronically lodged with the Poll Administrator of the company via Dvote Online website at <https://www.dvote.my>. The procedure to submit your Proxy Form electronically is outlined below under "**Procedures to Register and Participate at the AGM**". The electronically Proxy Form submission applicable for the individual shareholders only and corporation required to send hard copy Proxy Form.
7. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
8. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Clause 62 of the Constitution of the Company, a Record of Depositors as at 11 June 2026 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

AFFIX
STAMP

The Share Registrar of
HARRISONS HOLDINGS (MALAYSIA) BERHAD
[REGISTRATION NO. 199001003108 (194675-H)]

Lot 9-7, Menara Sentral Vista
No. 150 Jalan Sultan Abdul Samad
Brickfields
50470 Kuala Lumpur



HARRISONS HOLDINGS (MALAYSIA) BERHAD

REGISTRATION NO. 199001003108 (194675-H)
(Incorporated in Malaysia)

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