

Annual Report 2025



MATANG BERHAD

(Registration No. 201501017043 (1142377-X))

**TOWARDS
EXPANSIONS AND
DIVERSIFICATIONS**

TABLE OF CONTENTS



CORPORATE SECTION

02	Corporate Information
03	Group Corporate Structure
04	Group Financial Highlights
06	Director's Profile
09	Profile of Key Senior Management Team
10	Chairman's Statement
16	Management Discussion and Analysis
30	Statement on Risk Management and Internal Control
34	Audit and Risk Management Committee Report
40	Corporate Governance Overview Statement
49	Sustainability Statement
76	Additional Compliance Information
79	Statement of Director's Responsibilities

FINANCIAL SECTION

80	Directors' Report
84	Statement by Directors
84	Statutory Declaration
85	Independent Auditors' Report
89	Statements of Financial Position
90	Statements of Profit or Loss and Other Comprehensive Income
91	Statements of Changes in Equity
93	Statements of Cash Flows
95	Notes to the Financial Statements
125	Analysis of Shareholdings
127	Properties Held by the Group
129	Notice of 11 th Annual General Meeting
134	Statement Accompanying Notice of Annual General Meeting
	Proxy Form

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' FOONG CHEE MENG
Independent Non-Executive Chairman

TAN TUAN PENG
Executive Director

DATO' NG KENG HENG
Executive Director

TAI CHEE HOW
Non-Independent Non-Executive Director

SOPHIA LIM CHIA HUI
Independent Non-Executive Director

DATUK TEW BOON CHIN
Independent Non-Executive Director



AUDIT AND RISK MANAGEMENT COMMITTEE

SOPHIA LIM CHIA HUI
Chairperson

DATO' FOONG CHEE MENG
Member

DATUK TEW BOON CHIN
Member

NOMINATION AND REMUNERATION COMMITTEE

DATUK TEW BOON CHIN
Chairman

DATO' FOONG CHEE MENG
Member

SOPHIA LIM CHIA HUI
Member

REGISTERED OFFICE

Unit 30-01, Level 30, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia
Telephone number : 603-2783 9191
Facsimile : 603-2783 9111
Email address : info@vistra.com

HEAD OFFICE

Unit 39.02, Level 39, Menara
Multi-Purpose Capital Square,
No. 8, Jalan Munshi Abdullah,
50100 Kuala Lumpur, Malaysia
Telephone number : 603-2693 0189/
603-2698 0189

EMAIL ADDRESS AND WEBSITE

Email address: info@matangbhd.com
Website: www.matangbhd.com

COMPANY SECRETARIES

NUR SHAHFAIZA MD YUSOFF
(SSM PC No. 202008000953)
(MAICSA 7052006)

LIM LI MING
SSM PC No. 202108000452)
(MAICSA 7071593)

AUDITORS

BDO PLT (201906000013
(LLP0018825-LCA) & AF 0206)
Chartered Accountants
Level 8, BDO @ Menara CenTARa,
360, Jalan Tuanku Abdul Rahman,
50100 Kuala Lumpur, Malaysia

PRINCIPAL BANKERS

ALLIANCE BANK MALAYSIA BERHAD
(198201008390 (88103-W))
Menara Alliance Bank
G-01 & G-02, Menara Alliance Bank, 159,
Jln Ampang, Kuala Lumpur,
50450 Kuala Lumpur,
Wilayah Persekutuan Kuala Lumpur

RHB BANK BERHAD
(196501000373 (6171-M))
Level 2, Tower 3, RHB Centre,
Jalan Tun Razak,
50400 Kuala Lumpur, Malaysia

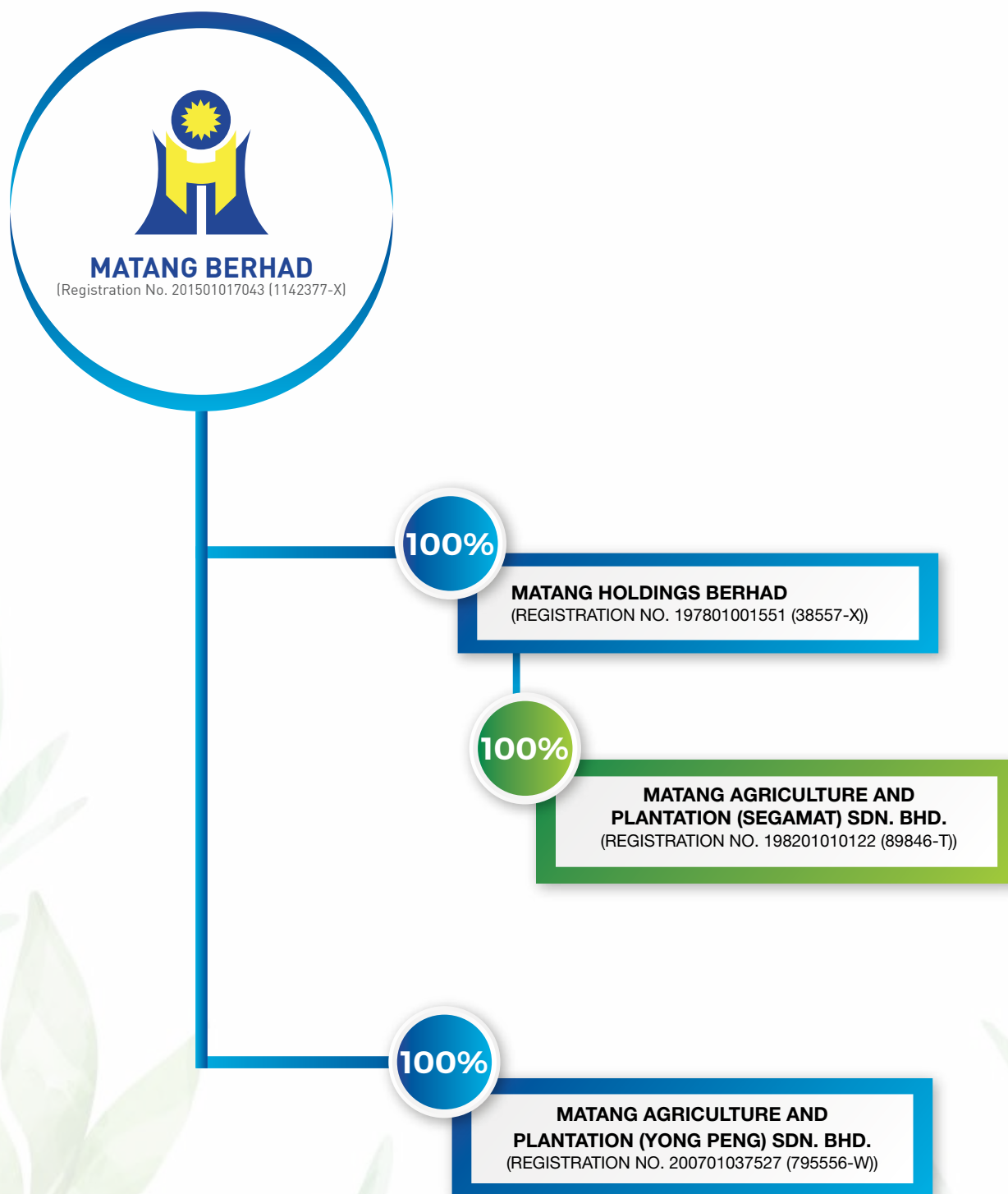
REGISTRAR

TRICOR INVESTOR & ISSUING HOUSE
SERVICES SDN. BHD.
(197101000970 (11324-H))
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia
Telephone number : 603-2783 9299
Facsimile : 603-2783 9222
Email address : is.enquiry@vistra.com

STOCK EXCHANGE LISTING

BURSA MALAYSIA SECURITIES BERHAD
ACE Market
Stock Code : 0189
Stock Name : MATANG

GROUP CORPORATE STRUCTURE





GROUP FINANCIAL HIGHLIGHTS

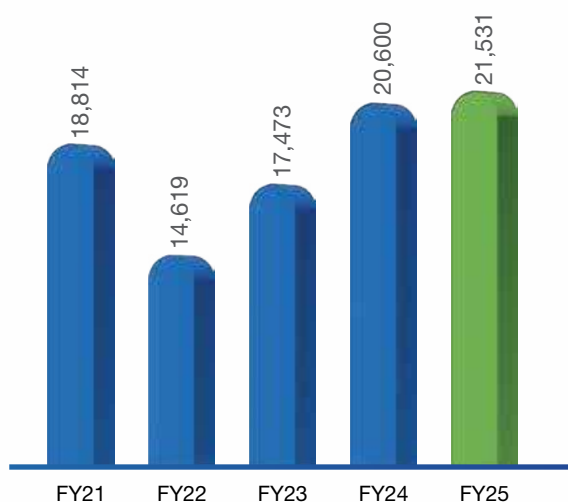
	Financial years ended 30 June				
	2025 RM'000	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000
Fresh fruit bunches ("FFB") production (tonnes)	21,531	20,600	17,473	14,619	18,814
FFB yield per hectare (tonne per hectare)	23.08	20.34	17.91	15.40	19.19
Average FFB price realised (RM)	952	798	820	1,206	728
FFB Revenue	20,498	16,438	14,327	17,625	13,695
Sales of Durian	1,080	441	-	-	-
Total Revenue	21,578	16,879	14,327	17,625	13,695
Gross profit	15,410	10,664	8,242	13,264	11,237
Profit before taxation	9,228	4,945	3,356	8,615	6,261
Profit after taxation	5,964	3,210	2,627	5,689	4,105
Profit attributable to owners of the parent	5,964	3,210	2,627	5,689	4,105
Earnings per share attributable to owners of the parent (sen)	0.25	0.13	0.11	0.26	0.22
Dividend per share (sen)	0.22	0.16	0.16	0.22	0.20
Shareholders' equity	248,319	246,196	246,802	228,339	226,975
Cash, bank balance and short-term funds	76,715	72,433	100,411	85,081	83,020

Notes:

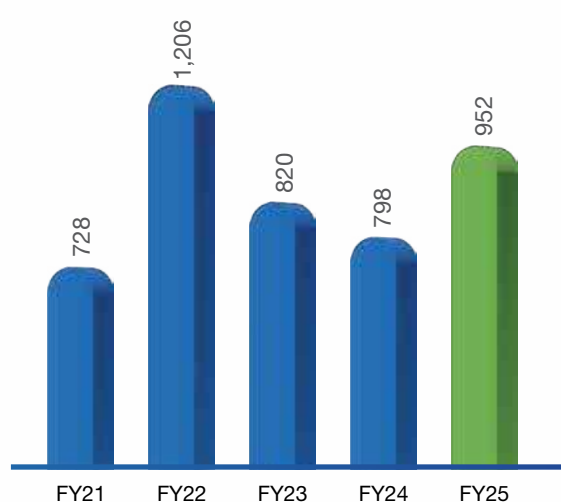
- ⁽¹⁾ The first and final dividend of 0.22 sen per ordinary share of Matang Berhad in respect of the financial year ended 30 June 2025 is subject to the approval of the shareholders of Matang in the upcoming Annual General Meeting.

GROUP FINANCIAL HIGHLIGHTS cont'd

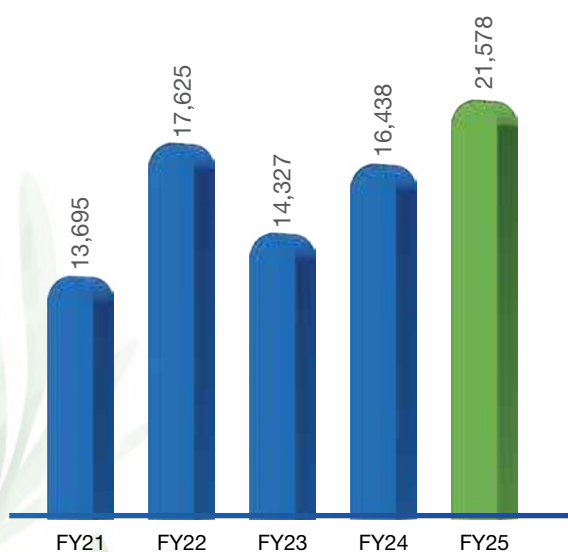
FFB PRODUCTION
(tonnes)



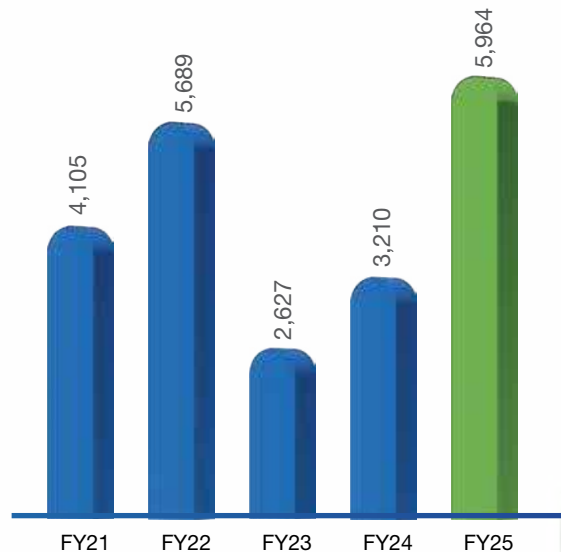
FFB PRICE REALISED
(RM)



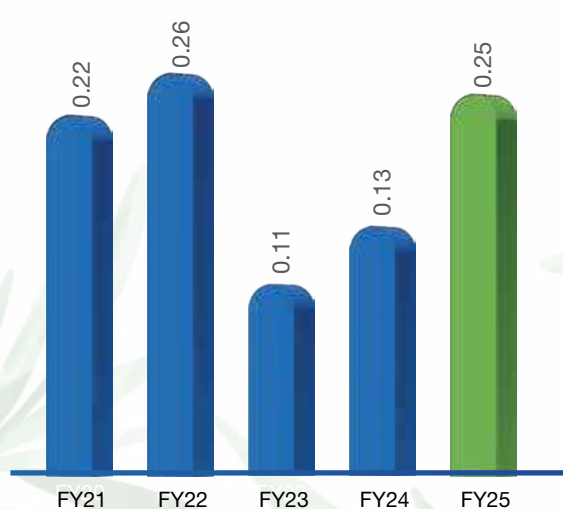
REVENUE
(RM'000)



PROFIT AFTER TAXATION
(RM'000)



EARNING PER SHARE
(sen)



DIRECTOR'S PROFILE

DATO' FOONG CHEE MENG

Independent Non-Executive Chairman

Age

59

Nationality

Malaysian

Gender

Male

Dato' Foong Chee Meng ("Dato' Foong"), male, aged 59, a Malaysian, is our Independent Non-Executive Chairman. He was appointed to our Board of Directors ("Board") on 1 September 2015. He is also the member of the Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee of the Company.

Dato' Foong graduated with a Bachelor of Economics, Bachelor of Laws (Hons), and Master of Laws from the University of Sydney in 1987, 1989, and 1993, respectively. In 1989, he was admitted as a solicitor in the Supreme Court of New South Wales and the Federal Court of Australia. In 1989, Dato' Foong joined Messrs. Baker & McKenzie in Sydney, Australia as a solicitor. Subsequently, in 1993, he joined Messrs. Zaid Ibrahim & Co. and became a partner at Messrs. Zaid Ibrahim & Co. in 1996, where he led the Corporate & Commercial and Foreign Investment practice groups in the law firm. In 2003, he set up Messrs. Foong & Partners and currently holds the position of Managing Partner.

Dato' Foong was previously the Independent Non-Executive Director of Bintai Kinden Corporation Berhad (from 2008 to 2010) and Kumpulan Jetson Berhad (from 2017 to 2023), companies listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). In 2017, Dato' Foong was appointed as Independent Non-Executive Director of RHB Islamic Bank Berhad where he also serves as a member of the Islamic Risk Management Committee. In September 2022, Dato' Foong was appointed as Director of Pacific & Orient Insurance Co. Berhad.

TAN TUAN PENG

Executive Director

Age

52

Nationality

Malaysian

Gender

Male

Tan Tuan Peng ("Mr. Tan"), male, aged 52, a Malaysian, was appointed to our Board on 1 December 2023 as an Executive Director. Within Matang group of companies ("Matang Group" or "Group"), Mr. Tan is also a Director of Matang Holdings Berhad ("MHB").

Mr. Tan graduated in 1999 with a Bachelor of Civil Engineering from the University of Newcastle Australia.

Mr. Tan has been involved and is experienced since 1999 in management and strategic planning of the oil palm business, and land investment as well as more recently in the management and business development of container deport services. Other involvements of Mr. Tan include taking charge and leading a wide spectrum of business activities from research and development to trading, production, marketing, and sales of protective equipment, safety shoes, and footwear.

Mr. Tan holds the position of Director in six (6) private companies in the business and or industries as summarised above.

DIRECTOR'S PROFILE cont'd

DATO' NG KENG HENG

Executive Director

Age

57

Nationality

Malaysian

Gender

Male

Dato' Ng Keng Heng ("Dato' Ng"), male, aged 57, a Malaysian, is our Executive Director. He was appointed to our Board as a Non-Independent Non-Executive Director on 1 September 2015 and was subsequently re-designated as Executive Director on 28 August 2019. Dato' Ng is also a Director of MHB.

He graduated with a Bachelor Degree in Human Resource Management in 2009 from the Open University of Malaysia after pursuing studies in 2005 and a Degree of Master of Science (Safety, Health and Environment) from the Universiti Teknologi Malaysia in 2024. Dato' Ng has gathered significant oil palm plantation experiences with the involvement in daily operations of estates since 2019 as well as through various trainings comprising seminars, workshops, and conferences for the oil palm sector.

Starting in January 2024, Dato' Ng's executive roles shifted from plantation management to corporate strategic management based more significantly in Company's head office. With the transition, one of the core responsibilities of Dato' Ng now is to effectively implement or coordinate the implementation for the Board's strategic decisions on company's investments with sound strategies and efficiently driving the implementation of the same.

This enhances Dato' Ng's roles and responsibilities from specialised plantation management to the undertaking of the Group's strategic planning, execution and management to ensure the effective allocation of the Group's resources as well as the effective implementation and achievement of strategic goals as set by the Board for the Group.

TAI CHEE HOW

Non-Independent Non-Executive Director

Age

43

Nationality

Malaysian

Gender

Male

Tai Chee How ("Mr. Tai"), male, aged 43, a Malaysian, was appointed to our Board as a Non-Independent Non-Executive Director on 16 July 2025. Mr. Tai is also the Director of Matang Agriculture and Plantation (Segamat) Sdn. Bhd. ("MAPS") and Matang Agriculture and Plantation (Yong Peng) Sdn. Bhd. ("MAPYP") since 1 March 2024.

Mr. Tai is an accomplished director with an extensive track record in the construction, plantation, and infrastructure sectors. In 2006, he founded an oil palm replanting company, where he oversaw daily operations, contractor management, and regulatory compliance. A decade later, in 2017, he diversified his business into heavy machinery operations supporting major civil works, while also expanding into durian and coconut cultivation. His directorships at both MAPS and MAPYP further strengthened his expertise in managing large-scale plantation operations.

With more than 20 years of industry experience, Mr. Tai is recognised for his hands-on leadership style, which encompasses end-to-end financial management from budgeting and asset acquisition to cash flow oversight, alongside direct supervision of site operations, labour teams, and multi-regional activities to ensure compliance with stringent timelines and safety standards.

Beyond his corporate career, Mr. Tai is also dedicated to public service. Since 2014, he has served as a Town Councillor for Muar, contributing actively to local development and urban planning. He also holds the position of Treasurer of PEMADAM Johor, where he plays a key role in anti-drug awareness programmes and works closely with government agencies and NGOs to promote a drug-free society.

This distinctive combination of strong business acumen and meaningful community involvement underscores Mr. Tai's well-rounded leadership profile.

DIRECTOR'S PROFILE cont'd

SOPHIA LIM CHIA HUI

Independent Non-Executive Director

Age

44

Nationality

Malaysian

Gender

Female

Ms. Sophia Lim Chia Hui ("Ms Sophia Lim"), female, aged 44, a Malaysian, is our Independent Non-Executive Director. She was appointed to our Board on 7 June 2022. Ms. Sophia Lim is also the Chairperson of the Audit and Risk Management Committee and a member of the Nomination and Remuneration Committee of the Company.

Ms. Sophia Lim is a Chartered Accountant with more than 19 years of experience in Corporate Finance, Financial Reporting and Auditing. She graduated from University Putra Malaysia in year 2005 with Bachelor of Accountancy (Honours) Degree and was admitted as the Chartered Accountant of the Malaysian Institute of Accountants ("MIA") in year 2008. She was also certified as an ASEAN Chartered Professional Accountant under the ASEAN Chartered Professional Accountants Coordinating Committee ("ACPACC") in year 2019.

Ms. Sophia Lim currently held the position of Transition Manager since the year 2019 in the Finance Shared Services of a multinational corporation ("MNC") incorporated in France and listed on the Paris Stock Exchange. Prior to her current role, she was the Account Manager and Assistant Financial Controller with the same company since year 2012.

DATUK TEW BOON CHIN

Independent Non-Executive Director

Age

55

Nationality

Malaysian

Gender

Male

Datuk Tew Boon Chin ("Datuk Tew"), male, aged 55, a Malaysian, is our Independent Non-Executive Director. He was appointed to our Board on 23 May 2019. He is the Chairman of the Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee of the Company.

Datuk Tew graduated from the New Jersey Institute of Technology in 1993 with a Bachelor of Science majoring in Civil Engineering and later he continued to obtain his Master Degree in Science in Civil Engineering in 1995. Datuk Tew began his career with Bachy Soletanche, a renowned French geotechnical specialist firm which has been involved in various prominent engineering projects including the construction of the foundation for Kuala Lumpur City Centre, more commonly known as KLCC.

Datuk Tew is currently the Managing Director of Anvil Group, a group of companies focused on property development, construction and plantation with three decades of track records. Anvil Group is also an award-winning property development group of companies which has scored awards that included the Property Insight Luxury Award for 2016 and the Asean Property Award 2019 for their property development projects.

As part of the Anvil Group, Datuk Tew also has experience in oil palm plantation and oil milling businesses where he holds directorship in Lembing Plantation Sdn. Bhd. and Kilang Sawit Lembing Sdn. Bhd. in Sungai Lembing, Kuantan besides vast plantation experiences in Johor, Sabah and Sarawak of Malaysia.

NOTES

- (i) None of the Directors has any family relationship with any other director and/or major shareholder of the Company.
- (ii) None of the Directors has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.
- (iii) None of the Directors has been convicted for any offences (other than traffic offences, if any) within the past five (5) years or imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2025.

PROFILE OF KEY SENIOR MANAGEMENT TEAM

TAN TUAN PENG
Executive Director

Please refer to Page 6 of the Annual Report.

DATO' NG KENG HENG
Executive Director

Please refer to Page 7 of the Annual Report.

TAN THENG HWE
*Chief Financial Officer Cum
Chief Operating Officer*

Ms. Tan Theng Hwee ("Ms. Tan"), female, aged 53, a Malaysian, was appointed to the position of Chief Financial Officer cum Chief Operating Officer of the Company on 3 February 2020.

Ms. Tan graduated with a Bachelor of Accounting (Honours) Degree from the Northern University of Malaysia. She is a Chartered Accountant (C.A.(M)) and ASEAN Chartered Professional Accountant (ASEAN CPA) under the Malaysian Institute of Accountants (MIA), and a Certified Public Accountant (CPA) under the Malaysian Institute of Certified Public Accountants (MICPA).

Ms. Tan has over 28 years of experience in auditing, financial management, operational finance, corporate finance, treasury, and strategy and business planning. She started her career as an auditor and subsequently served in a few publicly listed and private companies before joining Matang.

Ms. Tan does not hold any directorship in public companies and listed corporations, has no family relationship with any other director and/or major shareholder of the Company, has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries, and has not been convicted for any offences (other than traffic offences, if any) within the past five (5) years or imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2025.

CHAIRMAN'S STATEMENT

Dear valued shareholders

On behalf of the Board of Directors (“Board”) of Matang Berhad (“Matang” or “the Company”), I am pleased to present the Chairman’s Statement for the financial year ended 30 June 2025 (“FY2025”). This has been a year of steady execution for the Matang group of companies (“Matang Group” or “Group”). We navigated volatile commodity markets, a tightening regulatory landscape, and evolving labour dynamics while strengthening profitability, preserving a debt-free balance sheet, and investing prudently to compound long-term value for all stakeholders.

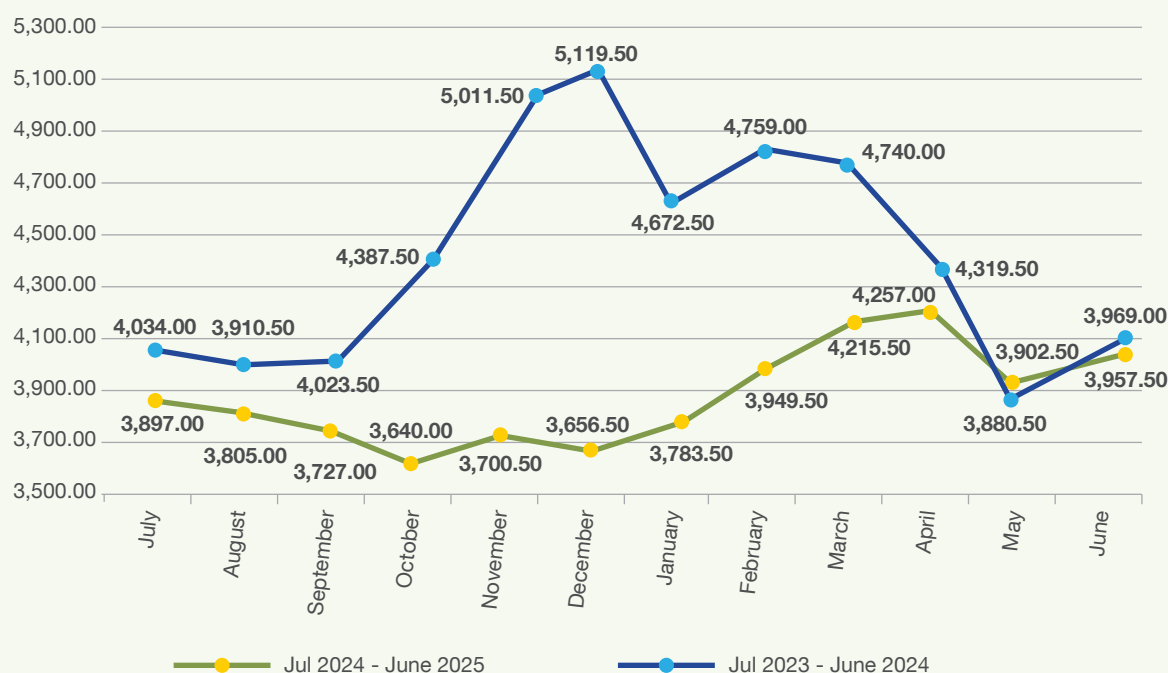


OVERVIEW

The palm oil industry in Malaysia continued to demonstrate resilience in 2024 and early 2025, supported by robust global demand, favourable pricing dynamics, and progressive policy measures. The average crude palm oil (“CPO”) price in Malaysia rose by 9.7% year-on-year (“YoY”) to RM4,179.50 per tonne in 2024, buoyed by firm consumption in key export markets such as India, China, and the European Union. Monthly CPO prices peaked at RM5,119.50 in December 2024, with the highest daily average reaching RM5,333.50 per tonne.

CHAIRMAN'S STATEMENT cont'd

Average Monthly Malaysia CPO Prices (from July 2023 to June 2025)



This strong price environment contributed to a 15.1% surge in export revenue for palm oil and palm-based products, reaching RM109.3 billion in 2024. Export volumes also rose 8.9% YoY to 26.66 million tonnes, underscoring the continued relevance of palm oil in the global edible oil market despite growing competition from alternative soft oils. Malaysia's palm oil production increased by 4.2% to 19.3 million tonnes in 2024 and is projected to stabilise at around 19.5 million tonnes in 2025. However, seasonal factors such as the monsoon and public holidays are expected to impact near-term output. Despite these constraints, rising demand during festive seasons and restocking cycles is likely to support price stability.

The outlook for palm oil remains broadly positive in 2025. Export demand is expected to benefit from India's reduction in crude edible oil import duties and the continued price competitiveness of palm oil relative to soybean oil. Soybean oil prices, while recovering from early weakness, remain elevated due to U.S. biofuel policy developments and tariff-related trade shifts, keeping palm oil well-positioned as a cost-effective alternative. On the supply side, Indonesia's production recovery is anticipated to be absorbed by increased domestic biodiesel mandates (B40), limiting any significant increase in export volumes.

At the same time, Malaysia's palm oil inventory levels are expected to remain tight, hovering around 1.7 million tonnes, due to strong exports and reduced imports of palm oil from Indonesia. In response to ongoing labour constraints, the Malaysian government has ramped up efforts to promote mechanisation and automation within the plantation sector. Budget 2025 incentives aim to accelerate this transition, reducing long-term reliance on foreign labour and improving productivity.

Budget 2025 Measure	Purpose / Impact
Multi-tiered foreign worker levy	Funds automation & mechanisation to reduce labour reliance
Replanting incentives / machinery grants	Boost productivity on ageing plantations
Wage hike, EPF contributions, export duty increase	Increases cost pressures; savings from Wage Protection Levy help partially offset

CHAIRMAN'S STATEMENT cont'd

Overall, the palm oil industry in Malaysia continues to be supported by firm export demand, steady production, and strategic policy direction. While price volatility remains an ever-present risk due to weather, geopolitical events, and global edible oil competition, the structural fundamentals for palm oil remain intact in 2025 and beyond. The durian industry, though smaller in scale, continues to gain attention for its premium export potential, particularly in China and regional markets. Seasonal price spikes and rising consumer demand have positioned durian as an increasingly valuable crop for future diversification among plantation players.

A YEAR OF SOLID PROGRESS AND STRATEGIC EXECUTION

FY2025 has been an encouraging year for Matang, driven by a supportive pricing environment for CPO, steady operational discipline, and the early-stage growth of our durian segment. Despite a marginal decline in fresh fruit bunch ("FFB") production, the Group benefited from the surge in average FFB selling prices, which contributed to higher revenue and stronger profitability across our plantation operations.

Revenue jumped 27.8% YoY to RM21.58 million from RM16.88 million compared to the financial year ended 30 June 2024 ("FY2024"), reflecting both stronger pricing and contribution from durian sales. Profit before tax ("PBT") surged 86.5% YoY to RM9.23 million in FY2025 as compared to RM4.95 million reported in the financial year ended 30 June 2024 ("FY2024"), while profit after tax ("PAT") rose 85.7% YoY to RM5.96 million from RM3.21 million during the same period. Our gross profit margin widened to 71.4%, reflecting effective estate management and cost discipline.

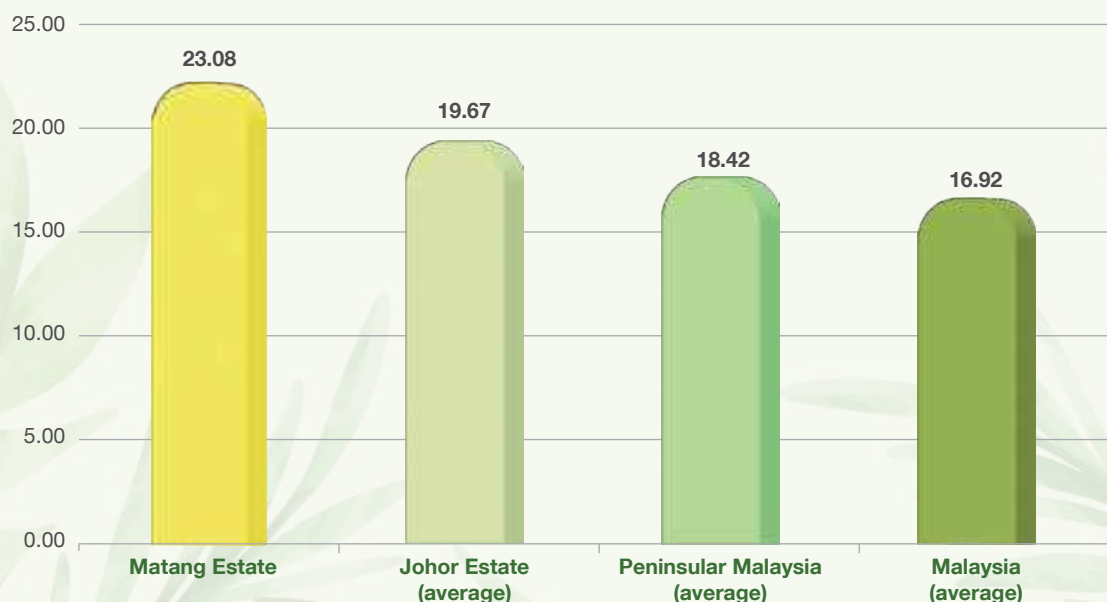
This performance was achieved without compromising our financial prudence. Matang remains debt-free and ended the period with a net cash position of RM40.27 million, supported by total cash, bank balances, and short-term funds of RM76.72 million, with RM36.44 million placed in deposits exceeding three months. Our strong financial footing gives us the flexibility to pursue long-term opportunities while continuing to reward shareholders with sustainable dividends.

STRENGTHENING OUR CORE AND INVESTING FOR THE FUTURE

Our oil palm estates, spanning 1,010.03 hectares of mature cultivation, continue to form the bedrock of our business. Through proactive replanting, field upkeep, and a strong emphasis on sustainability, we remain focused on maximising yield and maintaining our Malaysian Sustainable Palm Oil (MSPO) certification. In a world increasingly shaped by environmental and social expectations, Matang remains committed to responsible agricultural practices that deliver both value and accountability.

FFB production from Matang's estates in Segamat, Tangkak, and Yong Peng increased 4.5% YoY from 20,600 tonnes in FY2024 to 21,531 tonnes in FY2025. These gains reflect both price and steady operational throughput, including the benefits of field upkeep, logistics discipline, and responsive harvesting practices throughout the year. However, yield per hectare moderated to 23.08 MT per ha in FY2025 as compared to 20.34 MT per ha in FY2024, reflecting the estate's age profile and ongoing replanting. The average FFB price realised climbed 19.3% from RM798 per tonne in FY2024 to RM952 per tonne in FY2025.

Comparison of FFB Yields (MT per ha) for July 2024 - June 2025



Source: Extracted from MPOB website and based on info from Matang

CHAIRMAN'S STATEMENT cont'd

Meanwhile, our durian segment made important strides in FY2025. The plantations at Segamat (DP1.0 and DP2.0) successfully transitioned to full in-house management, marking a significant shift from reliance on external contractors. This move enhances our operational control, builds internal capability, and delivers cost efficiency. Both plantations are now in the advanced upkeep phase, with a focus on soil enrichment, canopy management, and pest control to prepare the trees for sustained fruiting in the years ahead.

At the same time, our Batu Pahat estate continues to provide a steady stream of mature durians, with the upcoming seasonal harvest expected to contribute meaningfully to Group revenue. Taking together, these developments demonstrate the momentum of durian as an emerging growth pillar for Matang.

In FY2025, durian sales rose to RM1.08 million on 114,727 kg sold (FY2024: 61,770 kg). This reflects the progressive maturation of our durian footprint and more tactical market timing, resulting in an average realised price of RM9.41 per kg. While quarter-to-quarter contributions vary with flowering cycles and weather, the YoY uplift affirms that our durian strategy is gaining traction. Importantly, we pursue growth in a measured, disciplined manner, focusing on building a resilient, high-quality portfolio rather than chasing volume for its own sake.

STRATEGY: THREE THRUSTS DRIVING LONG-TERM VALUE

To ensure sustainable growth in this segment, we are guided by three strategic priorities:

1. **Agronomy and cultivar discipline.** By strengthening soil health, optimising canopy architecture, and enhancing pest and disease management, we aim to produce consistent, high-quality fruit.
2. **Market access and branding.** With China's durian imports valued at around US\$7 billion in 2024, opportunities are abundant. Yet Thailand and Vietnam remain dominant suppliers. We therefore focus on premium niches, quality grades, off-season harvests, and branding that highlights Malaysian provenance, where we can command a price premium.
3. **Downstream processing.** The proceeds raised from our 2022 private placement provide the capital needed to build half- and full-processing capabilities. This will allow us to extend shelf life, reduce post-harvest losses, and supply frozen pulp and other formats to customers requiring consistent quality across borders.

We are also excited by the long-term prospects of our Durian Corridor, which not only supports crop diversification but also opens new doors for downstream processing, Agri-tourism, and education-based initiatives.

CORPORATE DEVELOPMENT

Beyond operational achievements, Matang continued to strengthen its financial and strategic foundation in FY2025. A key milestone was the approval at the Extraordinary General Meeting ("EGM") on 19 November 2024 to re-designate the remaining RM14.02 million proceeds from the 2022 private placement. Originally earmarked for acquisitions, these funds are now allocated to working capital, RM10.00 million for plantation development and operations, and RM4.02 million for downstream durian initiatives. As at 30 June 2025, the entire amount remains unutilised and securely placed in deposits with licensed financial institutions, generating interest income that further supports the Group's liquidity.

This strategic reallocation highlights Matang's cautious yet flexible approach to capital management. By prioritising operational strength and future downstream opportunities over immediate expansion, the Group positions itself to capture growth when the right opportunities arise, while preserving a debt-free balance sheet and robust net cash position.

CHAIRMAN'S STATEMENT cont'd

PROACTIVE RISK MANAGEMENT IN A DYNAMIC LANDSCAPE

Matang's operating environment presents a mix of market, operational, financial, and compliance risks. The Board and Management take a structured, forward-looking approach to identify, monitor, and mitigate these exposures.

Risk Category	Description	Mitigation Measures
Market & and Pricing Risk (CPO and Durian)	CPO remains sensitive to global edible oil balances, crude oil/biofuel linkages, and currency moves.	Tight cost control to protect margins; mechanisation and disciplined field operations; maintain liquidity buffer to withstand cycles (supported by net cash and deposits)
Operational and Agronomic Risk (Yields, Weather, Seasonality, Pests)	Quarterly performance is seasonal and weather-affected; productivity also reflects replanting cycles and estate age profile	Ongoing replanting, soil and canopy management, structured upkeep for both oil palm and durian estates; mechanisation and better logistics reduce weather slippage and labour bottlenecks.
Labour and Cost Inflation	Plantation operations are exposed to higher input costs (e.g., manuring, pest control) and evolving levy/wage structures. Cost schedules show harvesting and cultivation outlays held in check despite higher output	Workforce upskilling and selective mechanisation; tighter procurement practices; continuous review of harvesting rounds and in-field transport to sustain cost/ per MT
Regulatory, Sustainability and Compliance Risk	Compliance with MSPO standards and Bursa requirements is mandatory. FY2025 saw no unusual items affecting results, no material litigation, and no new debt/equity issuances, reflecting governance stability	Robust internal audit and controls; ongoing adherence to MSPO certification; transparent disclosures to regulators and stakeholders.
Financial & and Liquidity Risk	Matang ended FY2025 debt-free with cash, bank balances and short-term funds of RM76.72 million, including RM36.44 million in deposits with maturities greater than >3 months; cash and equivalents RM40.27 million	Maintain strong cash runway and zero borrowings; debt-free position provides buffer against shocks and allows counter-cyclical investment

We continue to operate in a challenging and evolving environment, marked by fluctuating commodity prices, rising input costs, and labour supply uncertainties. In response, we have strengthened our risk management framework, guided by observations from both our internal management and external consultants. From CPO price volatility and pest threats to agri-tourism development risks, we have instituted targeted mitigation strategies to enhance our operational resilience and future readiness.

SUSTAINING GROWTH AND CREATING LONG-TERM VALUE

Looking ahead, Matang remains cautiously optimistic about its growth prospects, underpinned by a favourable outlook for CPO prices, steady regional demand, and ongoing improvements in estate productivity.

The Group ended FY2025 on stronger operational footing, having stabilised its labour supply with the full deployment of foreign workers under the approved quota. This has allowed Matang to maintain optimal harvesting capacity and field maintenance. At the same time, the Group's gradual adoption of mechanization, such as the use of fertiliser spreaders, spraying pumps, and mist blowers, is expected to further enhance field efficiency and reduce long-term dependency on manual labour.

CPO prices are expected to remain firm in the RM4,000 to RM4,300 per tonne range in early 2026, supported by persistent global demand, low stockpiles in Malaysia and Indonesia, and palm oil's relative price competitiveness over soybean oil. Seasonal restocking from key importers, including India and China, as well as policy developments in the U.S. and

CHAIRMAN'S STATEMENT cont'd

Indonesia's biodiesel programme, are likely to underpin pricing strength in the first half of the financial year. This provides a supportive revenue environment for Matang's oil palm segment.

On the estate level, the Group will continue executing its multi-year replanting programme. The first phase, involving 77.2 hectares at Segamat Estate, commenced in FY2025, with further blocks scheduled for replanting in the financial year ending 30 June 2026 ("FY2026"). In addition, the Group is implementing thinning programmes in selected areas to improve light penetration, enhance air circulation, and maximise fruit yield potential.

Meanwhile, Matang's Durian Business is expected to gain further traction in FY2026. The Group recorded its first full-year contribution from the mature durian plantation acquired via Matang Agriculture and Plantation (Yong Peng) Sdn. Bhd. ("MAPYP") in FY2025. With younger durian plantations, maturing and internal management now fully in place, the Group anticipates a gradual increase in yield and revenue contribution from this segment. Notably, the Group is actively exploring downstream opportunities, particularly in durian paste processing, to unlock greater value from future harvests.

Industry prospects for Malaysian durian remain robust. Domestic production is projected to exceed 500,000 metric tonnes in 2025, and the newly signed export protocol with China for fresh durian is expected to drive structural export growth. Premium varieties such as Musang King and Black Thorn continue to command high demand, placing Matang in a favourable position as its durian operations mature.

In parallel, the Group is exploring agri-tech solutions and data-driven farming practices to optimise resource allocation, monitor tree health, and improve long-term yield consistency across both palm oil and durian estates.

Backed by a strong balance sheet, zero borrowings, and disciplined capital allocation, Matang is well-positioned to pursue sustainable value creation in FY2026. The oil palm segment will continue to provide a stable earnings base, while the durian business is expected to evolve into a meaningful secondary revenue stream. With a clear focus on operational efficiency, replanting discipline, and market diversification, the Group remains committed to enhancing shareholder value over the long term.

ACKNOWLEDGMENT

On behalf of the Board, I would like to extend my deepest appreciation to all our valued shareholders, business partners, clients, and stakeholders for their continued trust and unwavering support throughout the financial year.

I also wish to express my sincere gratitude to our management team and dedicated employees for their hard work, commitment, and resilience in navigating an increasingly dynamic operating environment. Your collective efforts have been instrumental in strengthening Matang's operational foundations and advancing our long-term strategic goals.

To my fellow Board members, thank you for your counsel, governance, and stewardship as we strive to create sustainable value for all stakeholders. As we look forward to FY2026, we remain focused on executing our core strategies with discipline, adaptability, and purpose, anchored by strong fundamentals and guided by long-term growth priorities.

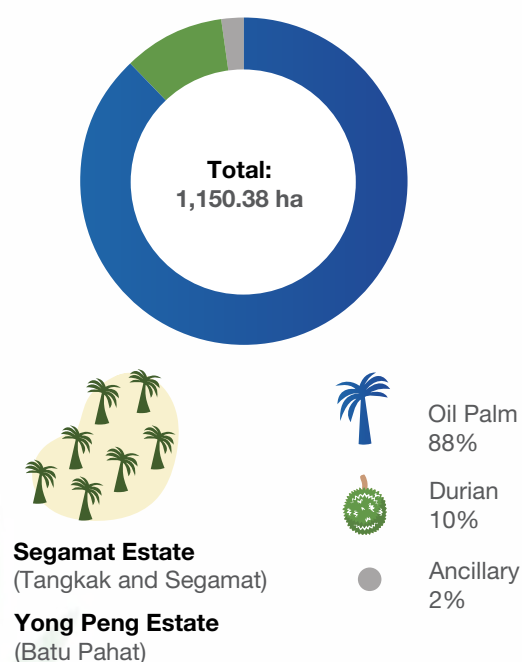
MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

Matang Berhad (“Matang” or “the Company”) is an investment holding company listed on the ACE Market of Bursa Malaysia since January 2017. Through its subsidiaries (collectively referred to as the “Matang Group” or “the Group”), its business operations span across oil palm cultivation, durian plantation as well as investment holding and property investment.

The Group’s core operations are conducted through its two (2) wholly-owned subsidiaries, Matang Agriculture and Plantation (Segamat) Sdn. Bhd. (“MAPS”), and Matang Agriculture and Plantation (Yong Peng) Sdn. Bhd. (“MAPYP”).

Plantation Estate Allocation



Matang’s plantation portfolio covers a total of 1,150.38 hectares (2,842.65 acres) of freehold agricultural land located in Johor, comprising:

- **1,010.03 ha (2,495.84 acres)** under oil palm cultivation,
- **121.03 ha (299.07 acres)** of durian plantations, and
- **19.32 ha (47.74 acres)** allocated for supporting infrastructure and facilities.

Its principal estates include the Segamat Estate (Tangkak and Segamat districts) and the Yong Peng Estate (Batu Pahat district), both of which form the operational base of its plantation businesses.

For the Segamat Estate covers an area of 1,094.15 ha (or 2,703.70 acres), out of which about 1,076.33 ha (or 2,659.67 acres) are planted areas and the balance is made up of areas for estate office, staff and workers’ quarters, warehouse, amongst others. The land and plantation of the Segamat Estate are held by MAPS, a wholly owned subsidiary of Matang. As at 30 June 2025, a total of 103.94 ha out of the planted areas of 1,076.33 ha in the Segamat Estate have been planted with durian trees between 4 years old under the Group’s First Durian Plantation (“DP1.0”) and 3 years old under the Second Durian Plantation (“DP2.0”). The total plantation estate for the oil palm in the Segamat Estate as of 30 June 2025 was about 972.39 ha with trees between 1 to 27 years old and the durian plantation is about 103.94 ha respectively.

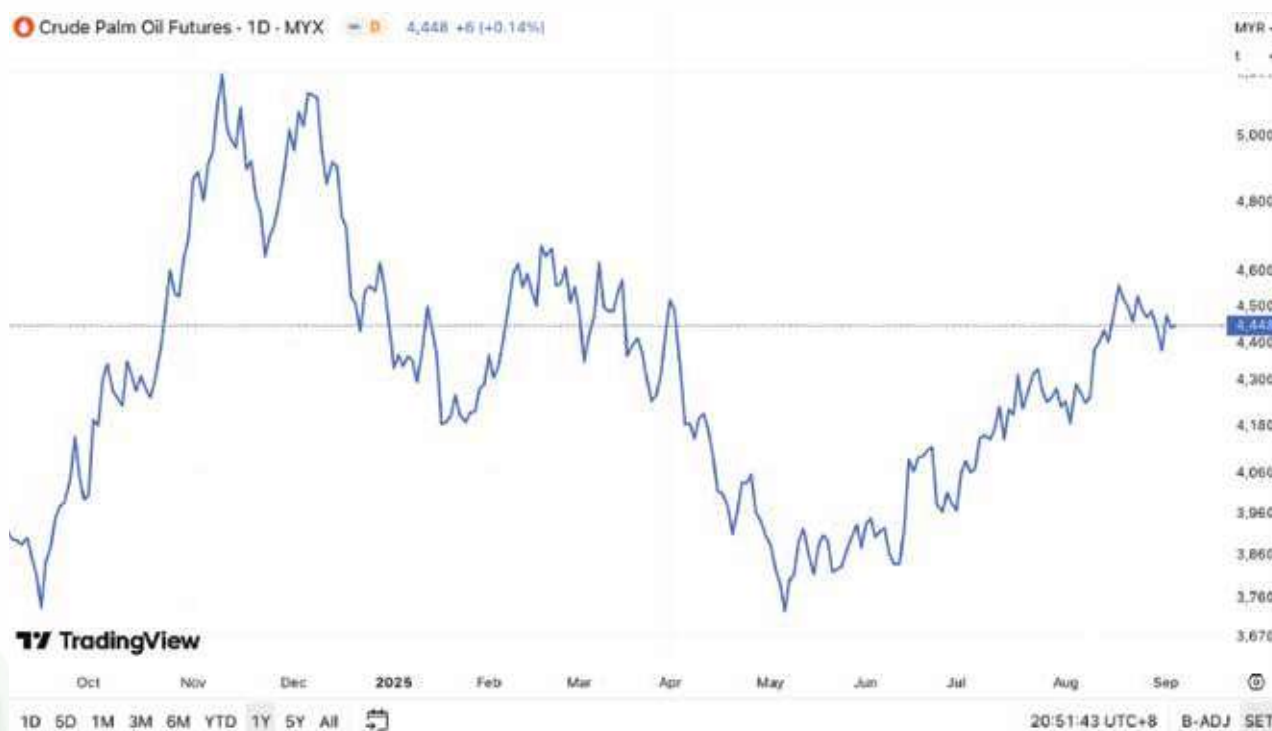
For the Yong Peng Estate (“YP Estate”), 54.73 ha (135.24 acres) out of the 56.23 ha (or 138.95 acres) are planted areas, and the balance comprises areas of ancillary structure and amenities. The land and plantation of the YP Estate are held by MAPYP, a wholly owned subsidiary of Matang. As of 30 June 2025, out of the planted areas of 54.73 ha, a total of 37.64 ha in YP Estate is planted with oil palm trees between 14 years old and 17.09 ha in YP Estate were planted in with durian trees of over 42 years.

In addition to the plantation, Matang, through a wholly owned subsidiary, Matang Holdings Berhad (“MHB”), also owns an industrial property comprising three (3) blocks of building with total net lettable areas of about 149,000 square feet located on a 3.20 acres leasehold land in Kawasan Perindustrian Larkin, Johor Bharu, Johor (“Larkin Investment Property”). MAPS owns a piece of vacant freehold development land of 5,000 square meters in Tangkak, District of Tangkak, Johor, that is currently on a 3 + 3 years lease to a Food Truck Operator up to 31 March 2030.

MANAGEMENT DISCUSSION AND ANALYSIS cont'd

BUSINESS OVERVIEW

The plantation sector experienced a broadly supportive environment throughout the financial year ended 30 June 2025 ("FY2025"), buoyed by strong average crude palm oil ("CPO") prices and sustained regional demand for both oil palm and durian-related produce.



Source: Powered by TradingView (<https://www.investing.com/commodities/palm-oil-streaming-chart>)

The plantation sector remained robust in second half of 2024, supported by firm global demand and tight edible oil supply. Malaysia's average CPO price rose 9.7% year-on-year ("YoY") to RM4,179.50 per tonne, peaking at RM5,333.50 per tonne in December 2024. This led to a 15.1% increase in national palm oil export revenue to RM109.3 billion.

Global edible oil markets remained relatively tight into early 2025, shaped by weather variability across key oilseed regions, policy-driven biodiesel demand, and shifting trade flows. Against this backdrop, palm oil continued to enjoy a cost advantage versus soft oils, helping it retain share in price-sensitive import markets during periodic restocking cycles.

In Malaysia, inventories were generally managed within supportive ranges while policy signals stayed constructive. Budget 2025 emphasised mechanisation and replanting, including levy proceeds earmarked for automation and machinery support, even as higher wage floors and statutory contributions added near-term cost pressure. Compliance expectations around sustainability and traceability, such as Malaysian Sustainable Palm Oil ("MSPO") and buyer-driven deforestation-free sourcing requirements, remained central to market access.

Against this backdrop, Matang delivered stronger financial results for FY2025, with revenue rising 27.8% to RM21.58 million and profit before tax nearly doubling to RM9.23 million. With a marginal increase in fresh fruit bunches ("FFB") production, the Group benefited from favourable realised FFB prices, reinforcing the strategic value of its oil palm estates in Johor. As the Group continues its plantation development and replanting initiatives, the supportive price trends have further validated its long-term investment into sustainable upstream agriculture.

MANAGEMENT DISCUSSION AND ANALYSIS cont'd

Sector-wide, labour availability improved from pandemic-era lows but remained structurally tight, reinforcing the industry's gradual pivot to selective mechanization, such as fertiliser spreaders, spraying systems, and in-field logistics, to lift productivity and mitigate unit-cost inflation. Input costs such as fertiliser and agrochemicals moderated from prior peaks yet continued to influence producers' cost curves alongside diesel, logistics, and foreign exchange.

Meanwhile, Malaysia's durian industry experienced price volatility during the period. For Matang, durian revenue surged 144.9% YoY to RM1.08 million for FY2025, supported by higher sales volumes and firmer farm-gate prices, particularly for Musang King. However, a bumper harvest anticipated in mid-2025 is expected to ease durian prices by 30% in export markets such as Singapore and China.

Regionally, durian demand remained anchored by China's strong import appetite, while supply concentration in Thailand and Vietnam continued to shape price formation. Malaysia's competitive niche lies in provenance-led quality grades, off-season windows, and downstream formats, such as frozen pulp or paste, that extend shelf life and reduce post-harvest losses, factors that help smooth cyclical price swings during bumper harvests.

Overall, the favourable palm oil price environment and higher durian contribution reinforced the strategic value of Matang's Johor estates and validated its long-term commitment to plantation development and replanting initiatives. Looking ahead in the next 6 to 12 months, key macro drivers to watch include the palm-soy price spread and importer restocking cadence in India and China, Indonesia's biodiesel blend trajectory and any trade/tariff adjustments affecting soft oils, sustainability and traceability requirements that shape market access premia, fertiliser, diesel and wage trends, and durian seasonality, weather and downstream capacity influencing price realisations.

Detailed company-specific operations and financial metrics will be presented in the subsequent **"Operations Overview"** and **"Financial Overview"** sections.

OPERATIONS OVERVIEW

OIL PALM BUSINESS

Matang continues to operate two (2) oil palm estates in Johor, namely Matang Estate (Tangkak and Segamat) and YP Estate (Batu Pahat), with total planted mature oil palm hectareage of 1,010.03 ha as of 30 June 2025.

The Group sells FFB to a consistent group of buyers, including Classic Palm Oil Mill Sdn Bhd, PH Uni Palm Sdn Bhd, and Keng Long Trading Sdn Bhd. Matang also maintained its MSPO certification, underscoring its commitment to sustainable agricultural practices. In line with MSPO requirements, estate operations continued to emphasise good agricultural practices ("GAP"), including block-by-block field upkeep, ripeness standards at harvest, and traceable weighbridge documentation, to underpin quality and market access.

In FY2025, the Group recorded a notable improvement in profitability from its oil palm operations, largely supported by stronger CPO prices. Total FFB production for the year amounted to 21,531 tonnes, translating into an average yield of 23.08 MT per ha. With the higher yield compared to the financial year ended 30 June 2024 ("FY2024") profitability was boosted by higher realised FFB prices, which rose 19.3% YoY to RM952 per tonne, compared to RM798 per tonne.

Operationally, performance benefited from tighter harvesting discipline, improved in-field logistics, and selective mechanisation to raise labour productivity and reduce slippage during wet periods. The Group commenced Phase 1 of its multi-year replanting programme (77.2 ha at Segamat) in FY2025, with additional blocks scheduled for the financial year ending 30 June 2026 ("FY2026"); thinning in selected areas is being implemented to improve light penetration and canopy airflow.

Estate infrastructure works: Road grading, drainage maintenance, and culvert repairs were carried out to support year-round crop evacuation and mitigate weather-related delays.

MANAGEMENT DISCUSSION AND ANALYSIS cont'd

AGE PROFILE OF PALM OIL TREES AND LAND UTILISATION OF MATANG ESTATE

The table below provides a breakdown of the age distribution of oil palm trees and the land allocation across Matang Estate as at 30 June 2025, offering insights into the estate's maturity structure and crop diversification.

		OIL PALM						DURIAN			Total Planted Areas
Age	Immature areas	Mature area				Old area	Total areas (Oil Palm)	Immature areas	Mature areas	Total areas (Durian)	
	1-4 years	> 4 - 8 years	> 8 - 14 years	> 14 - 18 years	> 18 - 25 years	> 25 years		1 - 5 years	> 5 years		
Plantation/ Planted area (ha)	77.20	49.80	393.44	86.70	189.60	213.29	1,010.03	103.94	17.09	121.03	1,131.06
Percentage (%)	6.83	4.40	34.79	7.67	16.76	18.86	89.30	9.19	1.51	10.70	100

The estate maintains a balanced age profile to sustain medium-term yields while creating room for continuous replanting. Ageing stands nearing the end of their productive cycle are prioritised for renewal, while prime-age blocks remain the core yield engine. Land utilisation incorporates supporting infrastructure such as field roads, drains, terraces and buffer zones, to safeguard soil health and access, complementing the Group's selective diversification into durian blocks where appropriate.

This balanced age distribution, with over 60% of palms below 18 years, positions Matang well for sustained FFB productivity, while the Group's durian planting programme provides long-term diversification into a high-value crop.

The following are some of the photos of the works undertaken at Segamat Estate.



MANAGEMENT DISCUSSION AND ANALYSIS cont'd

DURIAN BUSINESS

Matang's durian segment gained strong momentum in FY2025, underpinned by favourable off-season pricing and the progressive maturation of its plantations. The division delivered revenue of RM1.08 million, marking a robust 144.9% YoY increase. Although still a modest contributor to the Group's overall earnings, the durian business is expected to strengthen further as more trees reach the commercial fruiting stage. Durian contributed around 5% of Group revenue in FY2025, reflecting both higher volumes and tactical market timing during tighter supply windows.

The Group's durian plantations, DP1.0 (49.6 ha) and DP2.0 (54.3 ha) in Segamat, are now fully managed in-house with guidance from an external specialist. Both are in the advanced upkeep phase. Operational focus during the year included soil enrichment, canopy shaping, and integrated pest management, while post-harvest protocols were improved to preserve quality.

Meanwhile, YP Estate's mature durian trees continued to provide near-term output, helping to smooth revenue as younger plantations mature. Oversight by the Durian Project Committee and regular field audits ensured standardised practices, knowledge transfer, and long-term growth of the segment.

The following are some of the photos of the works undertaken for our DP1.0 and DP2.0 and YP Estate.



MANAGEMENT DISCUSSION AND ANALYSIS cont'd

FINANCIAL OVERVIEW

Key Earning Highlights



Revenue:
RM21.58 million
(+27.8% YoY)



PBT:
RM9.23 million
(+86.5% YoY)

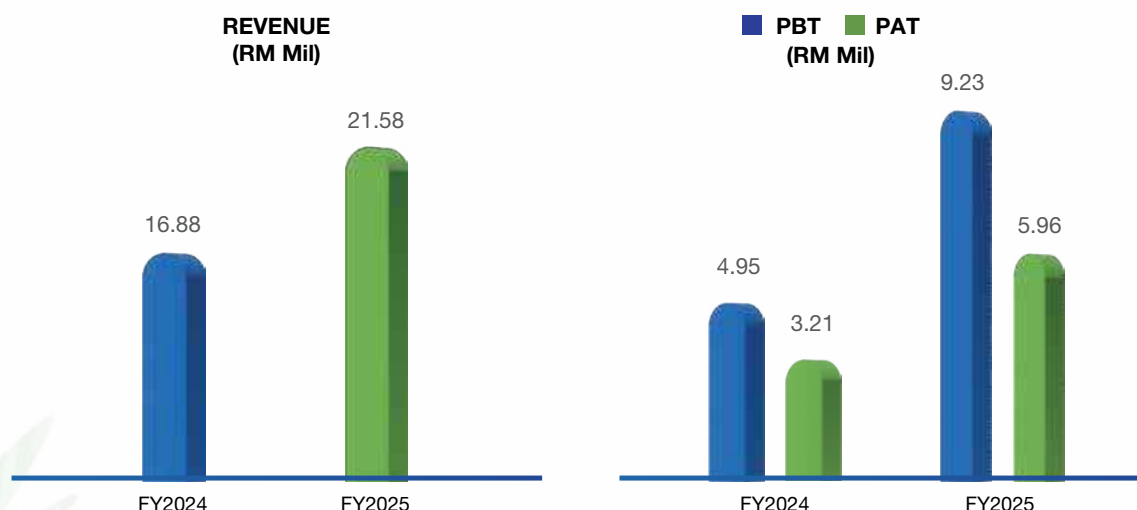


Gross Profit Margin:
RM71.4 %
(FY2024: 63.2%)



PAT:
RM5.96 million
(+85.7% YoY)

Matang delivered a markedly stronger set of results in FY2025 on the back of firmer realised FFB prices and tight cost control.



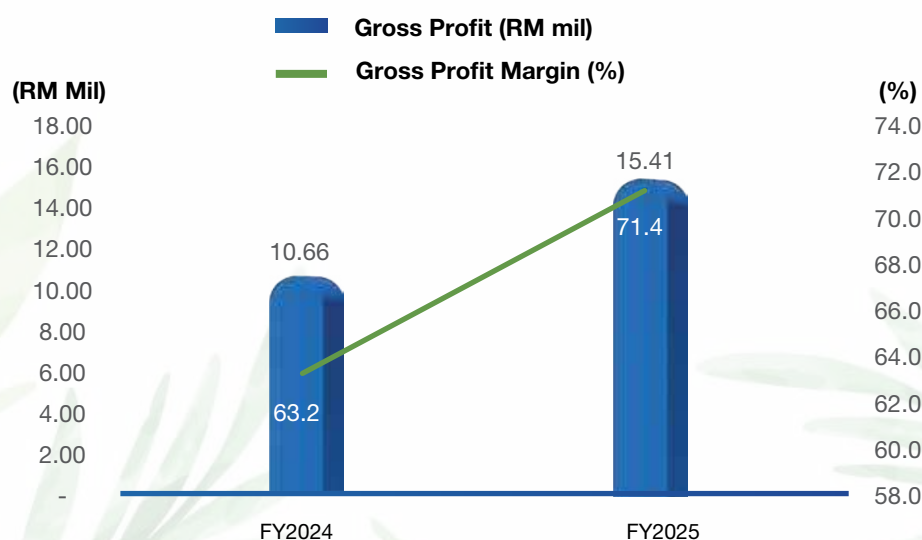
Revenue jumped 27.8% YoY to RM21.58 million in FY2025 from RM16.88 million in FY2024, mainly driven by higher average realised FFB prices and stronger durian sales. Profitability improved significantly, as Profit Before Tax ("PBT") surged 86.5% to RM9.23 million (FY2024: RM4.95 million) and Profit After Tax ("PAT") climbed 85.7% to RM5.96 million (FY2024: RM3.21 million). This translated into healthier margins, with the PBT margin expanding to 42.8% from 29.3% and the PAT margin improving to 27.6% from 19.0% in FY2024.

MANAGEMENT DISCUSSION AND ANALYSIS cont'd

Matang Berhad	FY2025 RM'000	FY2024 RM'000
Statement of Consolidated Profit or Loss and Other Comprehensive Income		
FFB Revenue	20,498	16,438
Sales of Durian	1,080	441
Total Revenue	21,578	16,879
Gross profit	15,410	10,664
GPM	71.4%	63.2%
Other income	3,971	3,800
Administration expenses	(10,091)	(9,415)
Other expenses	(41)	(83)
Finance cost	(21)	(20)
Profit before taxation	9,228	4,945
Profit after taxation	5,964	3,210
Profit attributable to owners of the parent	5,964	3,210
Basic earnings per share attributable to owners of the parent (sen)	0.25	0.13
Statement of Consolidated Financial Position		
Shareholders' equity	248,319	246,196
Net assets per share (RM)	0.10	0.10
Others		
Total FFB production (tonnes)	21,531	20,600
FFB yield per hectare (tonnes per ha)	23.08	20.34

KEY DRIVERS OF FINANCIAL PERFORMANCE

- Revenue growth** was driven primarily by higher average realised FFB prices and a sharp increase in durian sales.



MANAGEMENT DISCUSSION AND ANALYSIS cont'd

- **Gross profit** climbed 44.6% to RM15.41 million (FY2024: RM10.66 million), lifting GP margin to 71.4% (from 63.2%).

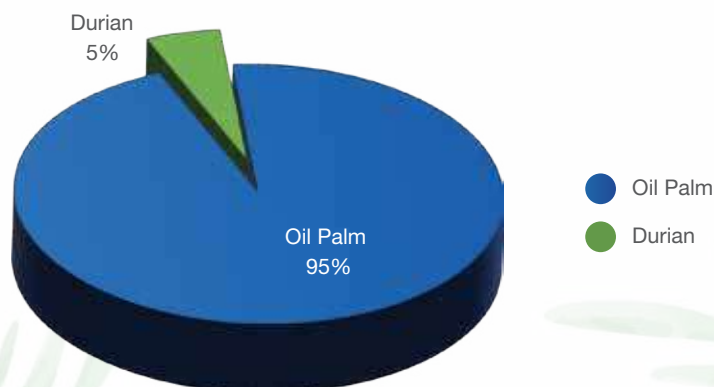
Matang Group	FY2025	FY2024	Increase / (decrease)
	RM'000	RM'000	%
	Audited	Audited	
Harvesting cost			
Labour cost	1,245	1,533	(18.8)
Upkeep and maintenance	184	214	(14.0)
Subtotal	1,429	1,747	(18.2)
Cultivation costs			
Labour cost	777	913	(14.9)
Fertiliser	1,899	1,491	27.4
Weeding, spraying and others	210	488	(57.0)
Upkeep and maintenance	74	92	(19.6)
Subtotal	2,960	2,984	(0.8)
Transport	322	335	(3.9)
Windfall tax	791	508	55.7
Overheads associated with labour	666	641	3.9
Total cost of sales	6,168	6,215	(0.8)

- **Cost of sales** remained well contained, easing slightly by 0.8% to RM6.17 million despite higher production volumes.
- **Administrative expenses** increased by 7.2% to RM10.09 million, reflecting higher upkeep and overheads, while other income grew 4.5% to RM3.97 million, mainly from the increase in interest and rental income.

OPERATIONAL & SEGMENT PERFORMANCE

The Group benefitted from stronger commodity pricing, though yield trends reflected the estate's age profile and replanting cycle.

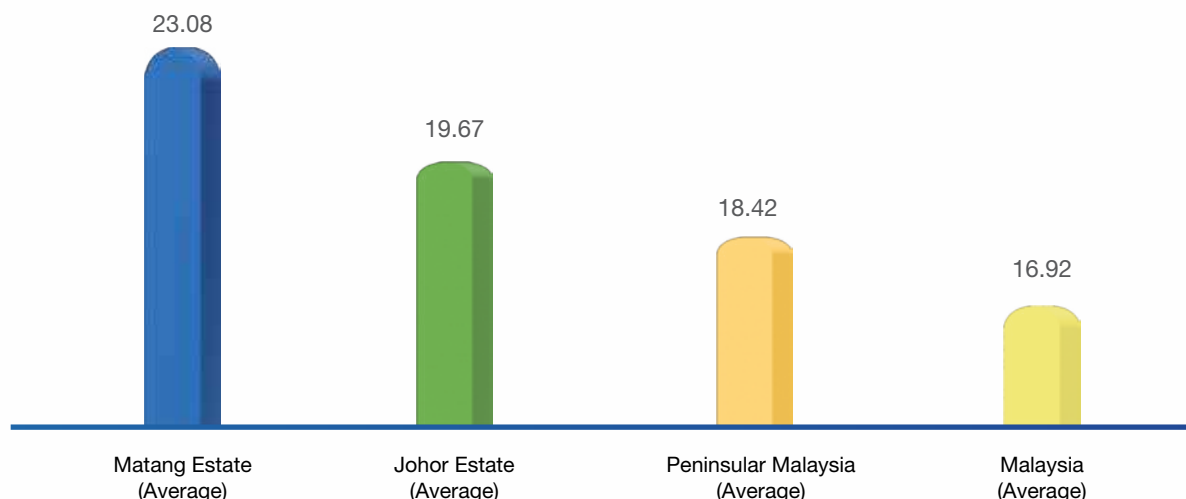
Oil Palm Contributes About 95% of the Group's Total Revenue



- **Oil Palm**
 - o FFB production: 21,531 MT (+4.5% YoY vs 20,600 MT in FY2024).
 - o Average realised FFB price: RM952 per MT (+19.3% YoY vs RM798 per MT in FY2024).
 - o Yield: 23.08 MT per ha, increased from 20.34 MT per ha in FY2024.

MANAGEMENT DISCUSSION AND ANALYSIS cont'd

Comparison of FFB Yields (MT per ha) for July 2024 - June 2025



Source: Extracted from MPOB website and based on info from Matang

- **Durian**
 - o Revenue: RM1.08 million (144.9% YoY vs RM0.44 million in FY2024), mainly from the mature YP Estate block.
 - o Development blocks (DP1.0 and DP2.0) remained under advanced upkeep, managed in-house with external advisory, preparing for future commercialisation.

SOLID BALANCE SHEET AND ROBUST CASH FLOW UNDERSCORE OPERATIONAL STRENGTH

Matang maintained a strong, liquid, and debt-free position in FY2025. Total assets expanded modestly as higher liquid funds and biological assets offset small reductions in certain non-current assets. Equity strengthened on retained earnings, while liabilities rose mainly due to deferred tax and trade payables.

Balance Sheet	FY2025 RM mil	FY2024 RM mil
Total Assets	254.89	251.79
Total Liabilities	6.57	5.60
Equities	248.32	246.20

- **Total assets** increased by 1.2% YoY to RM254.89 million in FY2025 compared with RM251.79 million in FY2024. The growth was driven by current assets, particularly higher cash, bank balances, and short-term funds of RM76.72 million (FY2024: RM72.43 million), biological assets of RM0.86 million (FY2024: RM0.74 million), and inventories, partly offset by depreciation on property, plant, and equipment and a small decline in investment property values.
- **Equity** increased by 0.9% YoY to RM248.32 million in FY2025 from RM246.20 million in FY2024, reflecting higher retained earnings of RM111.21 million (FY2024: RM109.07 million) after accounting for FY2025 profits and the FY2024 final dividend paid during the year.
- **Liabilities** increased to RM6.25 million from RM5.54 million previously, mainly due to higher deferred tax liabilities of RM2.00 million (FY2024: RM1.68 million) and trade and other payables of RM3.69 million (FY2024: RM3.11 million). This was partly offset by a reduction in lease liabilities.
- **Net assets per share** remained stable at 10 sen per share.
- **Liquidity** remained healthy. Cash, bank balances, and short-term funds rose to RM76.72 million from RM72.43 million. However, cash and cash equivalents as of 30 June 2025, fell to RM40.27 million from RM63.81 million, as RM36.44 million was placed in deposits with maturities greater than three months as part of treasury yield optimisation.

MANAGEMENT DISCUSSION AND ANALYSIS cont'd

CASH FLOW: LIQUIDITY AND DEPLOYMENT

Cash flow performance reflected stronger operating generation, yield-driven treasury placements, and modest financing outflows related to dividends and leases.

Matang Group	FY2025	FY2024
	RM'000	RM'000
Net cash from operating activities	9,050	7,340
Net cash used in investing activities	(28,548)	(34,103)
Net cash used in financing activities	(4,035)	(3,975)
Net decrease in cash and cash equivalents	(23,534)	(30,738)
Cash and cash equivalent at beginning of the year	63,805	94,543
Cash and cash equivalent at end of the year	40,272	63,805

- **Operating activities** produced net cash of RM9.05 million in FY2025, up from RM7.34 million in FY2024. The improvement was anchored by higher PBT of RM9.23 million (FY2024: RM4.95 million) and steady working-capital movements, including increases in payables of RM0.56 million and receivables of RM0.37 million, offset slightly by a RM0.24 million rise in inventories. Tax payments amounted to RM2.82 million.
- **Investing activities** recorded a net outflow of RM28.55 million, compared with RM34.10 million in FY2024. This was primarily due to the placement of RM27.82 million in deposits with maturities greater than three months, reflecting a treasury decision to secure returns, and RM3.19 million of capital expenditure for estate upkeep and development. These were partly offset by RM1.45 million of interest income received.
- **Financing activities** resulted in a net outflow of RM4.04 million, broadly in line with RM3.98 million in FY2024. The outflows mainly comprised the payment of the FY2024 final dividend of RM3.82 million and lease repayments of RM0.21 million. No borrowings or debt securities were outstanding during the year.
- **Net change and ending balance:** Overall cash and cash equivalents declined by RM23.53 million to RM40.27 million at year end. This reduction was largely attributable to the reallocation of liquidity into term deposits and capital expenditure rather than operational stress, underscoring the Group's continued balance sheet resilience.

CAPITAL MANAGEMENT AND PROCEEDS UTILISATION

In FY2025, Matang continued to exercise prudent capital management to ensure financial flexibility while supporting operational priorities and strategic initiatives. Following the private placement completed in July 2022, which raised gross proceeds of RM21.09 million, the Group had previously earmarked the funds primarily for potential acquisitions of oil palm and/or durian plantation assets and the development of new plantation landbanks. However, elevated asset valuations amid high CPO prices and limited availability of viable acquisition opportunities prompted a reassessment of the utilisation strategy.

On 6 September 2024, the Board announced a Proposed Variation to reallocate the unutilised balance of RM14.02 million towards immediate working capital needs. The proposal, subsequently approved by shareholders at an Extraordinary General Meeting ("EGM") in the fourth quarter of 2024, was structured as follows:

- **RM10.00 million** allocated to ongoing development and operational expenditures across existing oil palm and durian estates, including land clearing, planting, upkeep, and equipment purchases.
- **RM4.02 million** designated for the setup and operation of downstream durian processing activities, including half- and full processing of durian products.

This reallocation reflects the Board's strategy to deploy capital more efficiently in the near term, strengthening existing plantation assets, enhancing yield optimisation, and expanding into downstream opportunities. As of 30 June 2025, the entire RM14.02 million remained unutilised and is currently held in deposits. The Board remains confident that this capital management approach supports the Group's operational resilience while preserving readiness for long-term expansion opportunities, in line with its focus on efficiency, diversification, and value creation for shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS cont'd

KEY RISKS FACTORS

The following section on key risk factors has been revised and enhanced based on updated assessments and observations made by both the management team and our appointed risk management consultant. These refinements reflect a more comprehensive view of the evolving operating environment and potential challenges identified during the current financial year.

1. Fluctuation of CPO prices

FFB prices are correlated to CPO prices, which have been used by the palm oil mill, amongst other determinants, to fix prices for FFB sold by oil palm planters to the oil mills. Volatility in CPO prices since 2021 has seen monthly average CPO prices soaring above RM6,870 per tonne, with daily CPO prices reaching unprecedented levels to above RM8,000 per tonne on 2 March 2022 and above RM7,000 per tonne in the first two weeks of March 2022, late April 2022 to early May 2022. However, the prices plunged from above RM7,000 per tonne to less than half at RM3,331 per tonne as close as early June 2023. For 2023, despite being more stable with a lot smaller differences between the high and low, the daily CPO prices still recorded changes of about 23% between the highest (i.e., at RM4,324.50 per tonne on 3 March 2023) and lowest price level (i.e., at RM3,331 per tonne on 1 June 2023). For FY2024, monthly average CPO prices were recorded at RM3,897 per tonne in July 2023 and gradually slid into RM3,640 per tonne in October 2023. The decline in prices is generally expected due to the exceptional events in the form of the Russia-Ukraine War in year 2022 as well as the ban on oil palm exports by Indonesia. The CPO price rebounded to RM4,257 per tonne in April 2024, slid back to RM3,902.50 per tonne in May 2024 and rebound at RM3,957.50 per tonne in June 2024.

The palm oil industry in Malaysia has indeed shown remarkable resilience in the second half of 2024 and early 2025. This resilience is attributed to several factors, including strong global demand, favourable pricing dynamics and supportive measures. The average CPO price in Malaysia increased by 9.7% year-on-year to RM4,179.50 per tonne in 2024. This price rise was driven by robust consumption in key export markets such as China, India and European Union. Notably, monthly CPO prices peaked at RM5,119.50 per tonne in December 2024, gradually slid to RM3,880.50 per tonne in May 2025 and rebound at RM3,969 per tonne in June 2025.

The outlook for palm oil in 2025 is indeed promising. Export demand is expected to benefit from India's reduction in crude oil import duties and the continued price competitiveness of palm oil relative to soybean oil. Soybean oil prices, while recovering from early weakness, remain elevated due to U.S. biofuel policy developments and tariff-related trade shifts, keeping palm oil well-positioned as a cost-effective alternative. On the supply side, Indonesia's production recovery is anticipated to be absorbed by increased domestic biodiesel mandates (B40), limiting any significant increase in export volumes.

Besides the driving force of high demands from India and China, additional factors such as unpredictable weather have led to lower production that result in tighter and lower supplies of palm oil in the market.

The volatility in CPO prices will continue to impact the planters, causing fluctuations in FFB prices. These fluctuations can adversely affect the operations and strategic planning oil palm planters, including Matang, in areas such as replanting decisions, expansion strategies, manuring frequency, and employment of workers. To mitigate these adverse effects, the Group emphasises continuous efforts to ensure optimal productivity and closely monitor production costs, especially during periods of expected CPO price declines.

The Group mitigates the risk of declining CPO prices by controlling costs and expenditures through need-based spending, cost-benefit analyses, obtaining comparative quotations or tenders for significant expenditures and establishing stringent approving authority limits. The Management also stays updated on industry developments affecting CPO prices.

MANAGEMENT DISCUSSION AND ANALYSIS cont'd

2. Low yield of Durian

With the completion of the acquisition of MAPYP, which comes with matured durian trees, the Group has diversified its revenue stream into durian plantation. At the same time, the durian trees on DP1.0 and DP2.0 under MAPS are close to maturity years. The production of durian crops is dependent on the estate's capacity, the quality of the produce and various other factors.

The possible causes of the low yield of durians, other than the theft of durians that affect the overall yield, are the incidence of pests, such as insects and diseases, i.e. fungus due to humidity and inadequate preventive measures that lead to the fungus growth and disease proliferation. Incorrect or insufficient fertilisation due to inaccurate soil PH readings or delayed soil analysis and inadequate mechanisation for tasks like spraying and harvesting, coupled with insufficient training on modern farming techniques and pest and disease management, could also lower the yield.

As part of the preparation work for higher durian yield, the Group has put in place security measures such as trenches and shortened gates in MAPS, and fences in MAPYP are built to avoid any security breaches. Preventive spraying is applied on a monthly and bi-monthly basis, with special treatment applied to address disease outbreaks. Soil PH analysis is also performed to adjust the fertiliser application. Meanwhile, spraying and fertilisation activities are mechanised to manage the reliance on labour usage as a precaution for the shortage of labour.

3. Sustainability and climate change

As global concerns over climate change and sustainability intensify, companies within the Group face substantial risks that could impact operations, reputation, financial performance and overall long-term viability. The nature of plantation operations, including reliance on land, water and climate-sensitive crops, as well the involvement in the use of fertilisers and chemicals for weeding and pest and disease controls for the crops, exposes the Group to challenges posed by climate change impacts and the expectations of stakeholders regards to responsible business and operational practices.

A few common root causes that lead to risks under this category are such as the lack of awareness and prioritisation of sustainable practices (particularly human rights), limited access to information (due to poor data tracking and collection), and inadequate and unacceptable environmental management practices (such as activities which lead to carbon emission and its impacts on climate change) that will affect FFB yields and long term quality of palm oil produced.

The Management believes that being MSPO certified is the primary assurance for sustainable oil palm plantations. The Group is continuously providing relevant training and awareness in relation to environmental matters, issues and requirements to employees in the estate. The Group is also in compliance with all legal requirements related to environmental preservation as required under the Environmental Quality Act 1974 and Jabatan Tenaga Kerja for foreign workers. Other measures undertaken included strict adherence to the Zero Open Burning Policy and the No Child and Forced Labour Policy in the Group. Estate Management also ensures the adherence to sustainable harvesting and cultivation practices and continuously improves the quality of operations towards sustainable development with respect to the environment.

4. Ultimately replanting programme

Replanting is a critical activity in the lifecycle management of oil palm crops. Ideally, replanting programmes are planned and executed at optimal intervals to ensure sustained yield and plantation health.

The replanting activities may not be completed according to the schedule due to uncontrollable external factors such as prolonged rainy periods or site-specific work variations such as drainage enhancement.

To mitigate the risk of an untimely replanting programme, the Group has appointed sub-contractors through an approved tendering process for plantation replanting activities. Furthermore, the Group initiated a four-year replanting programme in 2024. The first year of the programme was completed in June 2025, and the second year is currently in progress.

MANAGEMENT DISCUSSION AND ANALYSIS cont'd

5. Expiry of the lease for the Larkin Investment Property

Larkin Investment Property, owned by MHB, consists of three industry buildings on leasehold land spanning approximately 3.2 acres with a 60-year lease term expiring on 24 September 2031. This leaves about 6 years remaining on the lease. Previous applications for the lease extensions have been rejected on multiple occasions.

The gross rental income from Larkin Investment Property was RM0.99 million, accounting for approximately 4.0% of the Group's total revenue and other income for FY2025. The remaining leasehold land tenure of about 6 years may limit and potentially reduce the rental income from Larkin Investment Property in both the near and long term. If the Johor Bharu Land Administrator does not change their decision by the lease term's expiry on 24 September 2031, the land will be surrendered to the Johor State Authority if there is no renewal option.

PROSPECTS AND OUTLOOK

CPO prices remained resilient through FY2025, averaging RM4,056 per tonne in 4th quarter of FY2025 and RM4,360 per tonne. Into the second half of 2025, most market analysts keep price expectations at within RM4,000–RM4,300 per tonne range, supported by still-manageable Malaysia/Indonesia stocks and steady import demand from key buyers. Malaysia's 2024 full-year average was RM4,179.50 per tonne, with December's monthly average peaking above RM5,100 per tonne, underscoring the constructive price backdrop that carried into early 2025.

On the policy side, two developments matter for palm oil balances and market access:

- **Indonesia's B40 biodiesel** rollout in 2025 increases domestic absorption of palm oil; authorities target around 15.6 million kl biodiesel allocation and highlight foreign-exchange savings and emissions reductions versus fossil diesel. This tends to temper export availability and is price supportive at the margin.
- **The EU Deforestation Regulation (EUDR)** was granted a one-year phased delay, with application now from 30 Dec 2025 for large or medium companies (and 30 Jun 2026 for micro or small). Compliance will require robust traceability across palm-derived supply chains; it may also open opportunities for certified, well-documented supply.

Demand signals remain anchored by India and China. India recently halved the basic customs duty on crude edible oils to 10%, a move expected to support import pull for crude palm oil in the near term. For durian, China's imports set a record of around US\$7.0bn in 2024. While 2025 year-to-date ("YTD") has seen volatility from tighter border checks, structural demand remains deep, and competitive dynamics in Thailand, Vietnam, and Malaysia, continue to evolve. What this means for Matang: prices should remain constructive; biodiesel pull in Indonesia and restocking cadence in India/China help cap downside; EUDR raises the bar on documentation but also rewards proven sustainability and traceability.

Oil palm outlook

Management expects a supportive price band to provide revenue visibility for FY2026. Operationally, near-term emphasis is on yield efficiency: targeted replanting, disciplined harvesting rounds, field upkeep for all-weather evacuation, and selective mechanisation to raise labour productivity and reduce weather slippage. FY2025 production was 21,531 MT, with an average yield of 23.08 MT per ha (FY2024: 20.34 MT per ha). Yields reflect the current age profile and replanting, and are expected to improve gradually as replanted blocks enter prime age.

Nutrient management remains guided by soil and leaf analysis with application timing to rainfall, optimising uptake and cost per MT. MSPO and buyer-driven traceability requirements will continue to shape documentation standards and market premia, aligning Matang's operating playbook with EUDR expectations.

MANAGEMENT DISCUSSION AND ANALYSIS cont'd

Durian outlook

The durian segment continues to build into a second earnings engine. In FY2025, Batu Pahat contributed RM1.08 million with around 114.3k kg sold, supported by firmer off-season pricing. With DP1.0 (49.6 ha) and DP2.0 (54.3 ha) fully internalised and in advanced upkeep with soil enrichment, canopy architecture, integrated pest management, management aims to lift consistency of flowering/fruit-set and reduce loss peaks. The next cycle is expected to benefit from stronger seasonal harvests.

To moderate price swings and support cross-border customers, Matang is progressing downstream readiness. This extends shelf life, reduces peak-week wastage, and enables more reliable supply to China and regional buyers, where structural demand remains robust despite periodic regulatory checks.

Capital allocation & liquidity

The Group enters FY2026 with a debt-free balance sheet and strong liquidity. Re-designated private-placement proceeds (RM14.02 million) are earmarked for plantation development/operations (RM10.00 million) and durian downstream initiatives (RM4.02 million). This supports:

1. **Replanting cadence** (Phase 1: 77.2 ha at Segamat commenced in FY2025; further blocks scheduled in FY2026);
2. **Mechanisation** and estate infrastructure;
3. **Downstream durian processing** and cold-chain; and
4. **Selective landbank opportunities** where returns, location and integration economics are compelling.

Treasury will continue to ladder term deposits to enhance yield while preserving adequate operational liquidity.

Risks & mitigations

Risk	Likelihood	Impact	Key mitigations
CPO price volatility	High	High	Cost control; liquidity; phased capex
Weather/seasonality	Medium	Medium	Rounds discipline; infrastructure; mechanisation
Labour availability/cost	Low	Low	Upskilling; procurement/roster optimisation; mechanisation
Compliance/traceability (EUDR/MSPO)	Low	Low	Data systems; audits; supplier alignment
Input cost spikes (fertiliser, diesel)	Medium	Medium	Soil/leaf driven dosing; term contracts; timing to rain
Durian yield swings	Medium	Medium	Downstream processing; grade mix; multi-market sales

Outlook statement

Considering the supportive CPO band, biodiesel-driven demand, and steady import pull from key markets, Management expects a constructive operating environment in FY2026. Matang's focus on replanting discipline, mechanisation, and MSPO/traceability, combined with prudent deployment into durian downstream and selective landbank opportunities, positions the Group to sustain profitability and cash generation, while compounding medium-term yields and diversifying earnings.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (“the Board”) of Matang Berhad (“Matang” or “the Company”) and its subsidiaries (collectively referred to as “Matang Group” or “Group”) is pleased to present this Statement on Risk Management and Internal Control for the financial year ended 30 June 2025 (“FY2025”). This Statement on Risk Management and Internal Control has been prepared in accordance with Paragraph 15.26(b) of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD’S RESPONSIBILITY

The Board affirms its overall responsibility for the Group’s system of risk management and internal controls (“RMIC”) to safeguard shareholders’ investments, the interests of other stakeholders, and the Group’s assets. The Board is committed to promoting a culture of accountability and continuous improvement and has ongoing processes in place to identify, assess, respond to, and monitor key risks across the Group.

The RMIC framework is designed to manage rather than eliminate the risk of failure to achieve business objectives; accordingly, it can only provide reasonable, not absolute, assurance against material misstatement or loss. Throughout FY2025, the Board, assisted by Management and the Audit and Risk Management Committee (“ARMC”), reviewed the adequacy and effectiveness of the Group’s risk management and internal control processes and took steps to strengthen controls where areas for improvement were noted.

Following a thorough evaluation of the Group’s RMIC systems, the Board is satisfied that they are both sound and effective. Furthermore, the Executive Directors, Chief Financial Officer cum Chief Operating Officer, and the respective Head of Departments of Matang, have provided their assurance that the systems in place are operating effectively and are well-aligned with the Group’s risk management and internal control framework.

RISK MANAGEMENT

In undertaking the functions of the Board regarding RMIC of the Group, the Board is supported by several established Board committees, namely the ARMC, the Nomination and Remuneration Committee, each of which has clearly defined terms of reference.

The ARMC has been tasked by the Board with, amongst others, the duty of reviewing and monitoring the adequacy and effectiveness of the Group’s RMIC. The day-to-day implementation of risk awareness and management as well as compliance under the Group’s internal control processes and procedures are part of the responsibilities of the management team of the Group. The Group has an organisational structure with clearly defined lines of accountability and responsibility as well as delegation of authority and reporting.

The Group’s systems of RMIC primarily cover areas of operational efficiency, effectiveness and controls, financial controls and reporting, compliance monitoring, corporate governance, and process improvements. There are sets of policies, procedures, and manuals setting out amongst others the approved standard operating procedures for key operational areas and activities including those for the Group’s head office (“Head Office”) and plantation operation units (“Business Units”). In addition, Board approved financial limits and approving authorities were also put in place for key financial matters and decision-making for revenue, major operating and capital expenditures as well as acquisitions of the Group to ensure proper functioning and accountability at respective business units and head office levels.

The Group, including the management team comprising the Management Committee made up of the two Executive Directors, and the Chief Financial Officer cum Chief Operating Officer, collectively makes decisions guided by the policies and procedures as well as the approved financial limits and approving authorities. The decisions of the Management Committee are made based on deliberations in meetings held at least once a month in accordance with the terms of reference approved by the Board of the Company. For matters of urgency, informal virtual discussions were held amongst the members and Chairman of Management Committee for which decisions made were always followed up with ratifications in scheduled subsequent Management Committee meetings for which proceedings were recorded in minutes for the meetings. Where applicable, according to the financial limits and approving authorities, approvals are accordingly sought for matters reserved for by the Board.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL cont'd

RISK MANAGEMENT *cont'd*

In terms of risk assessment and management, the Group has continued the practice as with the previous financial year in undertaking the preparation of the annual Group risk management framework and assessment by an independent risk management consultant as the process for periodic evaluation and management of the significant risks affecting the Group's operations to ensure that high-risk areas are adequately addressed within the Group. The annual assessment of risk continues to identify any potential new risks arising from any changes in business and operating environments due to both internal or external factors, including any diversifications or expansions and new business ventures undertaken by the Group. The same exercise also identified the specific risk owners to facilitate responsibility for actions for risk management. The outcome of risk assessment is presented by the independent risk management advisor and reviewed as well as deliberated by the ARMC annually, often in August of each year. The risk management advisor generates and updates the risk matrix to assist the management and the Board in prioritising their efforts and appropriately managing the different risks.

In respect of risk management, during the financial year ("FY") under review, the Group undertook a risk assessment in July and August 2025 and updated it by revisiting the risk mapping and assessments facilitated with the assistance of an external risk management advisor. The key risk areas for the core business functions and activities of the Group were reviewed and assessed based on the likelihood of occurrence and the resultant impacts. New risk areas were also explored based on feedback from the management team members from business units and the Head Office. Besides, the changes in terms of impact and likelihood of occurrence were also updated for risk factors that exist from previous FYs. For the FY under review, fluctuation of CPO price remains in the high-risk list. The risk rating for the low yield of durian, sustainability and climate change, untimely replanting programme, and security risk was increased during the financial year under review while the risk rating for the outbreak of pest and disease was dropped. The key risk areas, including the areas with the increased risk rating for the Group presented by the risk management advisor, have been outlined under Key Risk Factors in the Management Discussion and Analysis of this report for reference of our shareholders.

INDEPENDENT INTERNAL AUDIT REVIEW

The Board is fully aware of the importance of the internal audit function and has continued the engagement of an independent professional firm, Axcelasia Sdn Bhd ("Axcelasia" or "Internal Auditors") to provide independent assurance to the Board and ARMC by providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's RMIC systems.

The internal audits carried out by the Internal Auditors identify and address the internal control weaknesses. The internal audit undertaken independently also assesses the compliance of the Group's business units, including Head Office, to the approved policies and procedures, the efficacy of processes for better efficiency and effectiveness of existing controls, and where applicable, the improvements required to the internal controls of the Group. Any weaknesses and lapses in controls identified during the reviews, together with the improvement measures to strengthen the internal controls, were reported to the ARMC accordingly.

The Internal Auditors are not related to any of the Directors and members of the management team of the Group, nor do there exist any conflicts of interest between the Internal Auditors and the companies in the Group that could impair the objectivity and independence of the Internal Auditors.

For FY2025, the Group continued its practice of semi-annual internal audits by independent Internal Auditors who, in August 2024 and February 2025, reported to the ARMC the follow-up review of the findings and the audit findings observed. In accordance with the terms of reference and internal audit plan as approved by the ARMC on 29 May 2024, the independent internal auditor has completed the following:-

- (a) The Plantation Operations (oil palm & durian), and procurement function and payment control of Matang Agriculture and Plantation (Yong Peng) Sdn. Bhd. ("MAPYP"), under the Internal Audit Cycle 1 FY2025, and
- (b) The Plantation Operation (oil palm & durian), payment controls (including related procurement processes), of Matang Agriculture and Plantation (Segamat) Sdn. Bhd. ("MAPS"), and the follow-up review on Internal Audit Cycle 1 FY2025, under the Internal Audit Cycle 2 FY2025.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL *cont'd*

INDEPENDENT INTERNAL AUDIT REVIEW *cont'd*

Upon completion of fieldwork, internal audit reports were presented to the Board and ARMC at its scheduled meetings. Key observations and recommendations, together with Management's responses and action plans, were deliberated, and implementation progress is monitored via a remediation tracker.

The Key Risk areas of plantation operation include inadequate water supply, nutritional deficiencies, pest and disease outbreaks and difficulty in sourcing skilled labour. The Key Risk areas of procurement function and payment control, include non-optimum or limited pool of suppliers, unauthorized payment transaction, paying for goods or services not purchased or received and double payment or wrongly paid.

From July 2025, the Internal Auditors commence the groundwork for the first cycle of internal audit review for the financial year ending 30 June 2026 ("FY2026"). For the first cycle of internal audit reviews in FY2026, the Internal Auditors undertook the audit of the replanting management in oil palm plantation of MAPS while the second cycle of internal audit reviews in FY2026 will be covering the audit of project management, mainly the water irrigation system and planting of supply trees in MAPYP.

The Internal Audit report for the above review was provided directly to the ARMC and therein the report highlighted the observations on the adequacy of internal controls and findings regarding the compliance to control procedures derived from approved policies, procedures, operational manuals, and financial limits and approving authorities as well as reasonable practices expected to safeguard the assets and interest of the company. In addition, the Internal Auditors also made necessary recommendations for process and control improvements to the Group based on the findings and observations.

The internal audit fees incurred for FY2025 were RM43,000.

INFORMATION AND COMMUNICATION

While the management has full responsibility for ensuring the effectiveness of its internal control, the Board has the authority to assess the state of internal control as it deems necessary. In doing so, the Board has the right to enquire about information and clarification from the management as well as to seek input from the ARMC, External and Internal Auditors, and other experts at the expense of the Group. The ARMC has independently deliberated findings and observations with the Internal Auditors and External Auditors.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required under Rule 15.23 of the AMLR of Bursa Securities, the External Auditors have reviewed this Statement on Risk Management and Internal Control and reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control intended to be included in the Annual Report for FY2025 has not been prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of the Listed Issuers, nor the Statement on Risk Management and Internal Control factually inaccurate.

The limited assurance review was performed in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 ("AAPG 3") Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants which does not require the external auditors to form an opinion on the adequacy and effectiveness of the RMIC systems of the Group.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL cont'd

REVIEW BY THE BOARD

The Board considered the key findings and observations of the internal audit as well as the adequacy and effectiveness of the risk management and internal control process in the FY2025 based on the following:

- (a) The Management Committee of the Group is responsible for the development and maintenance of the risk management and internal control framework or for ensuring the implementation and conduct of adequate RMIC systems within the Group.
- (b) The conduct or performance of the independent internal audit function for which an internal audit report, including any follow-up audit report, was first reviewed by the ARMC which discussed critical issues and findings with the Internal Auditors. The ARMC also met with the Internal Auditors who presented their findings and deliberated on the same in meetings held with the ARMC.
- (c) The periodic feedback of the management with regard to the adequacy of the operations and functioning of the Group's RMIC systems.
- (d) The quarterly review of the Group's financial results and discussions associated with the ARMC in connection with the financial conditions and performance of the Group.

The Board obtains assurance from the Management Committee that the RMIC systems of the Group are operating adequately and effectively in all material aspects based on the RMIC systems of the Group.

Premised on the preceding sections, the Board has reviewed the Group's RMIC system and considers it adequate and effective for the Group's current scale and operating environment. The system has functioned to safeguard shareholders' interests and the Group's assets, and no material losses were incurred arising from internal control weaknesses.

Recognising the dynamic nature of the operating context, particularly commodity price volatility, climate, and sustainability-related requirements, and evolving regulatory expectations, the Board remains committed to continuous improvement. Focus areas include strengthening data capture and monitoring, refining standard operating procedures where needed, and ensuring resources and capabilities keep pace with operational needs.

The Board will continue to review the adequacy and resilience of the Group's internal controls to ensure alignment with the Group's strategic objectives and stakeholder expectations.

This Statement on Risk Management and Internal Control has been approved by the Board of Matang on 7 October 2025.



AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Audit and Risk Management Committee (“ARMC”) of the Company was established by the Board of Matang on 9 September 2015 with the primary objective of assisting the Board in discharging its duties and responsibilities and fulfilling its corporate governance responsibilities in relation to financial reporting and other financial-related matters, quarterly and annual reporting, internal control, risk management, related party transactions/recurrent related party transactions and conflict of interest, and external and internal audit functions of the Group.

COMPOSITION AND MEETINGS

The ARMC is made up of three (3) Non-Executive Directors of the Company. The composition of the ARMC is as follows:

- a. Ms. Sophia Lim Chia Hui as Chairperson;
- b. Dato’ Foong Chee Meng as member;
- c. Datuk Teoh Sew Hock as member who had retired on 19 November 2024; and
- d. Datuk Tew Boon Chin as member with effect from 19 November 2024.

The ARMC is made up solely of Non-Executive Directors of the Company, the majority of whom are Independent Directors. The details of qualifications and experiences of the Chairman and members of the ARMC can be found in the Directors’ Profile in this Annual Report. No Director in the ARMC except for the former ARMC member, Datuk Teoh Sew Hock holds any interest (whether direct or indirect) in Matang. The Directors’ shareholdings in Matang as of 11 September 2025 are presented in the Analysis of Shareholdings in this Annual Report.

Based on the terms of reference (“TOR”), the ARMC shall meet at least four (4) times annually and hold such additional meetings as the Chairperson may call at any time at his or her discretion. Other directors and employees within the Group and representatives of the External Auditors, Internal Auditors and the Enterprise Risk Advisor may attend any particular or any part of the meeting at the invitation of the ARMC.

The details of attendance of the members at the meetings held during the financial year ended 30 June 2025 (“FY2025”) are as follows:

Name	No. of meetings attended [^]
Sophia Lim Chia Hui <i>Independent Non-Executive Director</i>	5 out of 5
Dato’ Foong Chee Meng <i>Independent Non-Executive Chairman</i>	5 out of 5
Datuk Teoh Sew Hock <i>Non-Independent Non-Executive Director</i> <i>(Ceased as ARMC member due to retirement as director on 19 November 2024)</i>	3 out of 3
Datuk Tew Boon Chin <i>Independent Non-Executive Director</i> <i>(Appointed as ARMC member on 19 November 2024)</i>	2 out of 2

TERMS OF REFERENCE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The complete terms of reference of the ARMC can be found on the Company’s website, www.matangbhd.com.



AUDIT AND RISK MANAGEMENT COMMITTEE REPORT cont'd

SUMMARY OF WORKS OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

This section sets out the works and tasks of the ARMC of Matang during the current financial year ("FY") under review.

(a) Financial Reporting and Other Financial Related Matters

The ARMC shall meet at least quarterly to deliberate the announcements of quarterly financial results in addition to the annual Audited Financial Statements. For FY2025, the dates of announcements for the Company's quarterly financial results, the adoption of the Audited Financial Statements for the financial year ended 30 June 2024 ("FY2024") and the ARMC meetings are set out below

Date of ARMC meetings	Review of Financial Results / Annual Financial Statements and Other Financial Related Matters
21 August 2024	Unaudited fourth quarter financial results for the period ended 30 June 2024 and draft audited financial statements for the FY2024.
9 October 2024	Draft audited financial statements for FY2024 and the draft documents (audit and risk management committee reports and statement on risk management and internal control) for the Annual Report 2024.
18 November 2024	Unaudited first quarter FY2025 financial results for the period ended 30 September 2024
26 February 2025	Unaudited second quarter FY2025 financial results for the period ended 31 December 2024.
28 May 2025	Unaudited third quarter FY2025 financial results for the period ended 31 March 2025.

As set out in the table above, the ARMC met on 21 August 2024, 18 November 2024, 26 February 2025 and 28 May 2025 to deliberate on the Group's quarterly financial results. The ARMC was also presented with the draft audited financial statements of the Company for FY2025 on 7 October 2025 for its review. The ARMC ensures that the financial results and statements, as the case may be, are prepared in a timely and accurate manner, complying with applicable accounting, regulatory requirements, and financial reporting standards.

(b) External Audit

On 28 May 2025, the Board, in its meetings, was briefed by the chairperson and members of the ARMC, who had in its meeting reviewed and deliberated on the scope of the statutory audit and the audit plan as well as discussed with the external auditors the audit approach for FY2025 and any implementation of new or changes in accounting standards that will affect the Group in the current and next financial year. In the same meeting, the external auditors also presented the audit plan and confirmed their independence in undertaking the Group and the Company audit for FY2025. The ARMC also noted the annual Transparency Report 2024 of the external auditors prepared pursuant to the requirement of the Audit Oversight Board.

The ARMC, on 26 August 2025 held a discussion with the external auditors in relation to the audit status update and on 7 October 2025 in relation to the audit conclusion of their statutory audits of the Group after the completion of audit field works for any findings and observations of material concerns and effects (if any) to the Group for FY2025.

The external auditors highlighted the valuation of Larkin Investment Property as the key audit matter and areas of significant auditors' attention as the area is material, and the valuation process involved judgement in determining the appropriate valuation methodologies to be used and the underlying assumptions to be applied. To address the potential risk of such key audit matters, the external auditors satisfied themselves by considering the qualifications and competence of the valuer as well as assessing the scope of work of the valuation to determine whether the valuation is appropriate to be applied for financial reporting purposes. Besides, the external auditors also read the valuation report and assessed the valuation methodology adopted by the valuer for similar types of properties. The external auditors also evaluated the key assumptions used in the valuation by comparing against the available industry data taking into consideration comparability and market factors.



AUDIT AND RISK MANAGEMENT COMMITTEE REPORT cont'd

SUMMARY OF WORKS OF THE AUDIT AND RISK MANAGEMENT COMMITTEE *cont'd*

(b) External Audit *cont'd*

The other areas of significant auditor attention include the impairment assessment of the carrying amount of investment in a subsidiary.

Significant judgement and estimates are exercised on the future results and the key assumptions applied to cash flow forecast and projections of Matang Agriculture and Plantation (Yong Peng) Sdn. Bhd. ("MAPYP"), which include the projected growth in future revenues, profit margins and pre-tax discount rate to support the recoverable amount of cost of investment in MAPYP.

The external auditors also confirmed that there were no significant misstatements during their audit. In addition, the external auditors pointed out that there was no significant deficiency in internal control noted during the course of the audit. Minor management letter points for improvement with management responses, if any, would be forwarded to the Board in due course on finalisation.

The ARMC had assessed the independence and suitability of the external auditors and had recommended the reappointment of the auditors for the ensuing year for shareholders' approval at the forthcoming Annual General Meeting.

(c) Internal Audit

The ARMC oversees the conduct of internal audits to ensure that a review of the adequacy of the Group's internal control systems is carried out in a timely manner, as well as ensuring operations are conducted in compliance with the established internal controls. An internal audit by an independent party provides an independent assessment of the effectiveness and efficiency of internal controls utilising a global audit methodology and tool to provide assurance to the ARMC.

Similar to previous FYs, the Company has continued the appointment of an independent professional Internal Audit firm, namely Axcelasia ("Axcelasia" or "Internal Auditors"), to undertake the internal audit of the Group for the scope or cycle as set out in the Statement of Risk Management and Internal Control.

The internal audit function is outsourced to Axcelasia. The engagement Executive Director for the Cycle 1 of FY2025 is Puan Noor Lilah Wati, who assumed the role as engagement Executive Director since July 2024. Puan Noor Lilah Wati has over 20 years of experience in providing risk-based audit, enterprise risk management, corporate governance and business continuity management advisory. Puan Noor Lilah Wati is certified business continuity practitioner from Business Continuity Institute and lead auditor for ISO 9000. She also an Associate member of Institute of Internal Auditors of Malaysia.

For the Cycle 2 of FY2025, the engagement Executive Director is Mr. David Low, who took over the role as engagement Executive Director starting October 2024. Mr. David Low has over 17 years of experience in internal and external audit, transformation and business process consultancy services. He holds the credentials of the following:

- Certified Internal Auditor
- Certified Lead Assessor of ABMS
- Fellow Member of the Association of Chartered Certified Accountants
- Chartered Accountant of the Malaysian Institute of Accountants
- Member of the Association of Certified Fraud Examiners

Axcelasia confirmed that they are free from any relationships or conflicts of interest which could impair their objectivity and independence in the internal audit of the Group. A team of staff of Axcelasia, carried out internal audits of the Group for FY2025. The conduct of the internal audit was guided by, in all material respects, the International Professional Practices Framework by the Institute of Internal Auditors. The Internal Auditors report directly to the ARMC based on the approved internal audit plan, which was designed to cover the key activities of the Group's operations.



AUDIT AND RISK MANAGEMENT COMMITTEE REPORT cont'd

SUMMARY OF WORKS OF THE AUDIT AND RISK MANAGEMENT COMMITTEE *cont'd*

(c) Internal Audit *cont'd*

During the FY under review, the scope of works of the Internal Auditors is primarily to independently review whether the procedures, systems, and controls put in place by the Board and the management are present and functioning to ensure that the organisation meets its objectives of:

- (i) Compliance with the applicable laws, regulations, policies, and standard operating procedures ("SOP");
- (ii) Reliability and integrity of information; and
- (iii) Safeguarding of assets.

The ARMC reviewed and accepted the financial year ending 30 June 2026 ("FY 2026") internal audit strategy documents for the Company presented by the Internal Auditors on 28 May 2025, the internal audit review of which will be carried out between July 2025 and May 2026. The scope of the review of the internal control system undertaken by the Internal Auditors for FY2026 covers the following key business activities of Matang Group:

- (i) Replanting Management in Oil Palm Plantation of Matang Agriculture and Plantation (Segamat) Sdn. Bhd. ("MAPS"); and
- (ii) Project Management (Water irrigation system and planting of supply trees) at Matang Agriculture and Plantation (Yong Peng) Sdn. Bhd. ("MAPYP").

For FY2025, the ARMC has reviewed the internal audit report of the Group prepared by the Internal Auditors for the above on 21 August 2024 and 26 February 2025.

The scope of work on the assessment of internal controls used to manage the key risks associated with the operating processes are on the oil palm and durian plantation operation and the payment control in relation to the plantation operation for MAPYP and MAPS.

The Internal Auditor has based on the review of the Monthly Progress Report from January 2024 to June 2024 of MAPYP, and Monthly Progress Report from June 2024 to November 2024 of MAPS to ascertain the effectiveness of the plantation management system, which among others, includes manpower planning, efficiency of resources utilisation, planting procedures and tree propagation methods, pruning and canopy management, pest and disease control measures, effectiveness of field maintenance practices and pruning activities, and harvesting and post-harvest procedures. In addition, the Internal Auditor also conducted on-site inspections to assess the condition of the plantations to access the performance metrics and reporting.

For the Procurement Function, the Internal Auditors reviewed the performance of vendors engaged by the Group in Matang Estate as well as the manners of which the Group monitored and evaluated the performance of both new and existing vendors. Several aspects of vendors were assessed and looked into by the Internal Auditors to draw necessary conclusions for the Group's effectiveness in the vendors' management, which among others includes the sourcing process, that covers the pre-qualification of suppliers/vendors, selection procedures, ordering processing and receiving for key materials, as well as vendor management. The Internal Audit also covered the system in use for payment controls (i.e., computerised or manual), verification and review of purchasing documents, payment and approval process, and assessment adherence to discretionary authority limits, with a focus on the transaction below RM1,000, cash purchase and purchase without purchase order.

Based on the above, the Internal Auditors have on 21 August 2024 and 26 February 2025, presented its findings to the ARMC and the said committee highlighted to the Board the key matters.

Premised on the above and the findings presented by the Internal Auditors, the ARMC and the Board are of the opinion that the internal audit review has been carried out in accordance with the internal audit strategy document FY2025 as presented to the ARMC on 29 May 2024 and that the coverage is adequate.



AUDIT AND RISK MANAGEMENT COMMITTEE REPORT cont'd

SUMMARY OF WORKS OF THE AUDIT AND RISK MANAGEMENT COMMITTEE *cont'd*

(d) Risk Management

The Group has undertaken the risk assessment in connection with FY2025 with the assistance of an independent risk management advisor who has presented their findings and observations about the risk profile of the Group in 26 August 2025. The risk of fluctuation in CPO, which is a lot tough to mitigate, has remained the key risk factor. The risk of outbreaks of pest and disease has reduced from the possible likelihood of occurrence with moderate impact to the likely likelihood of occurrence with minor impact. Four findings of risk which are becoming more prominent this year and hence have moved up along with the likelihood of occurrence are the low yield of durian, sustainability and climate change, untimely replanting programme and security risk.

More information and details in relation to risk management practices in the Group have been summarised in the Statement on Risk Management and Internal Control in this Annual Report.

(e) Related Party Transaction(s)/Recurrent Related Party Transaction(s) and Conflict of Interest

The ARMC has been satisfied that there was no related party transaction or recurrent related party transaction or conflict of interest situation that arose, persisted or may arise within the Company or the Group took place during FY2025 other than the following:

- (i) Renewal of tenancy arrangement between Matang and a substantial shareholder of the Company for the Group's Head Office at level 39.02, Menara Multi-Purpose located at 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia.

The said tenancy, which was signed for three (3) years effective 1 May 2023 and expires on 30 April 2026.

- (ii) Additional space for office extension between Matang and a substantial shareholder of the Company for the Group's Head Office at level 39.03, Menara Multi-Purpose located at 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia.

The said offer was signed for two (2) years, effective 1 May 2024, and expires on 30 April 2026 to coincide with the expiry date of the principal tenancy agreement as stated in (i) above.

- (iii) Renewal of tenancy arrangement between MAPYP and a substantial shareholder of the Company for the Group's Estate Office at #01-15, Block 4, Danga Walk Jalan Skudai, Danga Bay, 80200 Johor Bahru, Johor, Malaysia.

The said tenancy, which was signed for three (3) years, effective 1 May 2025, and expires on 30 April 2028.

The aforesaid tenancy arrangements (i), (ii) and (iii) are not regarded as related party transactions pursuant to Rule 10.08(11)(h) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

- (iv) Replanting Works for 77.2 ha Oil Palm Plantation of MAPS located at K.B 101, 85200 Jementah, Segamat, Johor and sales of diesel to CH Excavator Work Sdn. Bhd. for the usage for the said replanting work.
- (v) Rental of vehicles from a common director company, CH Excavator Work Sdn. Bhd.
- (vi) Sales of Durian from MAPYP durian estate to Hua Kee Local Food Sdn. Bhd., a common director company.

Additional information in relation to the said tenancy arrangements has been included under Additional Compliance Information on Page 77 of this Annual Report.



AUDIT AND RISK MANAGEMENT COMMITTEE REPORT *cont'd*

SUMMARY OF WORKS OF THE AUDIT AND RISK MANAGEMENT COMMITTEE *cont'd*

(f) Corporate Governance & Others

The ARMC also reviewed and made recommendations to the Board for the Annual Report for the FY under review on the Audit and Risk Management Committee Report and the Statement on Risk Management and Internal Controls of the Group.

In addition, the Chairperson and members of the ARMC have also engaged continuously with other Board members, the Executive Directors, and the management of the Group to be kept informed of the operations and management of Matang Estate including any material events and/or matters affecting the operations and financial affairs of the Estate and of the Group as a whole.

INTERNAL AUDIT FUNCTION AND SUMMARY OF WORKS DONE

Due to the size of subsidiaries and operations involved for Matang Group, the ARMC and the Board have continued the practice of outsourcing the internal audit function of the Group to an independent internal audit firm. The Internal Auditors are appointed to report directly to the ARMC on the findings and observations made from the internal audit reviews undertaken based on the internal audit plan. The details of the Internal Auditors and work done by the Internal Auditors have been outlined in the above section within the Audit and Risk Management Committee Report and the Statement of Risk Management and Internal Control in this Annual Report.

This Audit and Risk Management Committee Report has been approved by the Board of Matang on 7 October 2025.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) places significant emphasis on ensuring that the practical standards of corporate governance are implemented as adequately as possible throughout Matang Berhad (“Matang” or “the Company”) and its Group of Companies (“Matang Group” or “Group”) as the essential part of discharging its responsibilities to safeguard and enhance shareholders’ interests and value as well as for the financial performance of the Group.

This Corporate Governance Overview Statement provides an overview of the application of the principles set out under the Malaysian Code on Corporate Governance (“Code”), while the full details of the application of the principles are disclosed in the Corporate Governance Report submitted to Bursa Malaysia Securities Berhad (“Bursa Securities”) together with this Annual Report, which is also available on the Company’s website, www.matangbhd.com.

1. BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board has overall responsibilities for the strategic aims and corporate governance of the Company, including providing overall strategic guidance and effective oversight of the management of the Group. The Board is to ensure that the activities of the Company comply with its Constitution, from which the Board derives its authority to act and monitor the Company’s performance towards the strategic aims and directions and to sustainably create value for the shareholders.

The Board Charter of the Company has been included on the Company’s website, www.matangbhd.com, and the Board shall also periodically review its Board Charter, and a copy of the revised charter shall be updated on the Company’s website from time to time whenever there are changes. The Board also has in place the Code of Ethics and Conducts for Directors and Employees of the Company, the details of which can also be found on the Company’s website, www.matangbhd.com.

The Company is guided by the Board’s overall strategic aims to grow the Group through both organic growth by way of optimal and yet sustainable increase of fresh fruits bunches (FFB) production and yield from its estates or plantations as well as inorganic development by way of acquisition, joint venture or expansion of viable assets both for oil palm plantations and the durian business.

The development of durian business, together with the continuous oversight of the Board in relation to the oil palm business, besides undertaking expansions through various modes such as acquisitions, are targeted to enhance the value and performance of the Group economically in a sustainable manner to Matang’s shareholders. At the same time, the Board also ensures that corporate governance of the Company is implemented and safeguarded to provide effective oversight of the management.

The Board meets at least quarterly to deliberate and decide on significant business and financial decisions, whether strategically or otherwise, as well as to review the Company’s financial performance, amongst others. To facilitate the deliberation and decision-making of the Board on material matters affecting the Company notices for meetings are circulated at least seven (7) days prior to the meeting, and complete and comprehensive meeting papers are circulated within a reasonable time prior to each Board and Board Committee meeting. Minutes of each Board Committee and Board meeting are also circulated prior to subsequent meetings for confirmation by the Board and Board Committees’ members.

The Board actively evaluates and deliberates all strategic proposals of the Group, whether operational or strategic, for corporate matters and fundraising prospects, the proposals of which the Management puts forward for approval. Where appropriate, recommendations of the Audit and Risk Management Committee (“ARMC”) are also sought especially with regard to the financial, strategic, and corporate proposals of the Group as well as in the event of conflict of interest and involvement of related parties in the transaction. As a result, a number of ad-hoc or special Board meetings of the Company have been called in the past when necessary to deliberate aforesaid proposals. When necessary, the Board sought advisers’ views, advice, and opinions in Board meetings regarding corporate and fundraising proposals.

Besides delegating the overall supervision of the management and operations of the Group to the Executive Directors of the Company, the Board has established the Management Committee for the oversight of major and key management decisions and day-to-day implementation of the business, operation and corporate decisions, matters and Board directions of the Group and the implementation of the same. The Management Committee is chaired by one of the Executive Directors, Mr. Tan Tuan Peng (or “Mr. Tan”), and consists of members made up of an Executive Director, i.e., Dato’ Ng Keng Heng (or “Dato’ Ng”) and the Chief Financial Officer cum Chief Operating Officer.



CORPORATE GOVERNANCE OVERVIEW STATEMENT *cont'd*

1. BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Board Responsibilities *cont'd*

The Management Committee meets at least once a month to deliberate all significant matters affecting the Group, be it operationally and strategically. Special sub or project committees such as the Durian Project Committee was also established to look into, evaluate, and consider strategic and operational matters critical to the durian business implementation and provide necessary oversight of the roles and performances of the Management on the same. The formation of the Durian Project Committee by the Board has also led to the diversification of the Group into the durian business. The same committee has been instrumental in making necessary recommendations and providing advice in relation to the durian business to the Management Committee and Board for approvals and implementation with regard to the development works as well as upkeep and maintenance works for the durian plantations in the Group.

Board Composition

As of the date of this Statement, the Board consists of six (6) members, i.e., two (2) Executive Directors and four (4) Non-Executive Directors, out of whom three (3) are Independent Directors. The three (3) Independent Directors make up more than one-third (1/3) of the Board membership in line with the requirement as prescribed under Rule 15.02 of the ACE Market Listing Requirements ("AMLR").

The Board is led by an Independent Non-Executive Chairman ("Chairman"), Dato' Foong Chee Meng ("Dato' Foong"), who is experienced in corporate and legal matters. The executive roles and responsibilities in the Group are undertaken by the two (2) Executive Directors, namely Mr. Tan and Dato' Ng. The profile of Dato' Foong, Mr. Tan, and Dato' Ng can be found on pages 6 to 7 under Directors' Profile of this Annual Report.

In terms of Board membership, Matang's Board consists of members with a wide and relevant range of skills and experiences. Board members consist of businessmen and entrepreneurs with extensive commercial and operational experiences in oil palm plantations or other agriculture sectors such as durian plantations, qualified professionals with corporate backgrounds such as professional accountants, prominent legal professionals, and professional engineers in construction and property development industries.

A summary of the information relating to the profile, meeting attendance, and shareholdings of the Company's directors has been included in this Annual Report.

As disclosed in the Board Charter, the tenure for Independent Directors shall not exceed a cumulative term of nine (9) years. The Board may seek shareholders' approval in the event that it retains an Independent Director who has served in that capacity for more than nine (9) years, with strong justification(s) provided. Otherwise, upon completion of nine (9) years, an Independent Director may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director. That having said, Dato' Foong, who joined the Company on 1 September 2015 as an Independent Non-Executive Director, has served more than nine (9) years on the Board as of the date of this Annual Report and the Company will seek shareholders' approval for the retention of Independent Director in the forthcoming annual general meeting ("AGM").

The Ordinary Resolution of the aforesaid motion, if passed, will enable Dato' Foong, who has served more than nine (9) years, to be retained and continue to act as Independent-Non-Executive Chairman of the Company to be in line with the Board Charter and the Board Assessment Policy of the Company, and the Code. However, if this Ordinary Resolution is not carried out, Dato' Foong will remain on the Board as a Non-Independent Non-Executive Chairman of the Company.

Nomination Committee and Remuneration Committee of the Company were merged into a single committee, known as "Nomination and Remuneration Committee ("NRC")", with effect from 9 October 2024. The rationale for the change is to enhance the efficiency of the Board in discharging its duties and responsibilities.

The Board composition is reviewed and assessed by the NRC, which is also entrusted by the Board to review and recommend the appointment of any new Directors, Chief Executive and Chief Financial Officer when appropriate. The NRC of the Company comprises exclusively Independent Non-Executive Directors and is chaired by Datuk Tew Boon Chin and consists of two (2) other members who are Dato' Foong and Ms. Sophia Lim Chia Hui.



CORPORATE GOVERNANCE OVERVIEW STATEMENT *cont'd*

1. BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Board Composition *cont'd*

The Board is cognisant of the recommendation under the Code with regard to workforce and boardroom gender diversity. While the Company has not adopted any formal policy on gender diversity in the selection of candidates, the Company does not restrict any specific gender in filling the workforce gaps so long as the suitable candidate(s) have the merits of, amongst others, qualifications, experience and aptitude for specific roles within the Group. Similarly, for the Board, the Company and its subsidiaries evaluate the suitability of the candidates for new Directors based on the candidates' competency, skills, knowledge, experiences, characters, time commitment, and other relevant specific criteria regardless of the gender of the candidates.

The Board also adopted a view of diversity with respect to age, considering the receptiveness of the younger generation to digital ideas, knowledge, and technologies in businesses and operations. In that regard, the Board of Matang is made up of diverse age groups, with the youngest members being 43 years old and the oldest being 59 years old.

The Board also assessed the performance and contribution of the Board members and the effectiveness of Board and Board Committees' function annually.

Board Committees

The Board delegates specific responsibilities of financial performance review and monitoring, measurement, risk management, monitoring of internal controls, and anti-bribery and anti-corruption functions to the ARMC. In addition, guided by the internal audit of the Group undertaken by independent professionals annually, the ARMC of the Company also provides independent oversight with regard to the risk management and internal controls frameworks, systems, and practices of the Company. It also provides necessary views, opinions, and recommendations to the Board regarding any significant financial-related matters or decisions affecting the Group in connection with any strategic and corporate proposals and exercises.

In that regard, the ARMC has undertaken a discussion with the External Auditors on 28 May 2025, 26 August 2025 and 7 October 2025, in relation to the statutory audits of the financial statements of the Group for the financial year ended 30 June 2025 ("FY2025"). On 28 May 2025, the ARMC has also been presented with the internal audit report by the Internal Auditors, which essentially focused on the plantation operation oil palm and durian, procurement function and payment controls in Matang Estates. In addition, the independent risk management consultant presented their findings and observations with regard to the risk profile of Matang Group on 26 August 2025 to the ARMC.

The duties and responsibilities of overseeing the establishment of Board committees, selection, appointment, and nomination of Directors, Chief Executive and Chief Financial Officer, as well as Directors' training needs, have been delegated to the NRC. The evaluation of Directors by peers, as well as the assessment of Board and Board Committees' functioning, remain part of the annual assessment, and the NRC has been entrusted by the Board to assess the overall annual evaluation participated by the Board members.

During the financial year ("FY") under review, the Nomination Committee deliberated and recommended the re-election of Directors due for retirement at the forthcoming AGM, considering the annual assessment outcome and the Directors' fulfilment of criteria under the Directors' Fit and Proper Policy. The annual assessment evaluates the Directors based on several criteria and key factors, amongst others, including the contributions and performance of individual Directors where each Director is evaluated by all his/her peers in the Board on, amongst others, the ability and efforts in analysing and probing into the proposals and decisions of the Management as well as the contributions with ideas, opinions, and advice to the Management, the Board and the Company. In addition, another criterion includes the preparations of the Director for Board meetings, his or her ability to work constructively with other Board members, and the said Director's integrity. As for the evaluation of Directors on the Board, the Directors look into the mix and composition of the Board in terms of knowledge and experience and the ability of the Board to bring value to the Management's decisions and proposals, to name a few. Besides, other criteria include the quality of information made available to the Board and for decision-making, the Board room activities, and the Board's relationship with the Management.



CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

1. BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Board Committees *cont'd*

The duties and responsibilities on evaluating and recommending remuneration structure, levels, and packages for Board members and Chief Executive and Chief Financial Officer have been delegated to the NRC. The NRC, which consists of three members, has been established by the Board, and it comprises a majority of Independent Non-Executive Directors with the overall responsibility to recommend to the Board the remuneration and other benefits for all Directors and senior executives of the Company.

The remuneration packages of Non-Executive Director shall be a matter to be decided by the Board with the Director concerned abstaining from discussion and voting on any decision on his/her remuneration.

The Company has in place a general policy with regard to the remuneration levels for the Directors of the Group, i.e., for the Directors' fees and meeting allowances. However, these remunerations are to be approved by the Board from time to time after due deliberation by the NRC of the competencies, skills, experiences and needs for the positions. The NRC shall recommend the proposed remuneration to the Board for deliberation and approval.

The NRC deliberated and thereafter recommended to the Board on the Directors' remuneration, including Director's fees for FY2025 and Directors benefits for the period from 1 January 2026 to 31 December 2026 before the Company seeking applicable shareholders' approval at the Eleventh (11th) AGM of the Company to be held on 26 November 2025. In addition, the NRC also evaluated and deliberated on the proposed bonus payment and increment for the Executive Directors and the Chief Financial Officer cum Chief Operating Officer of the Company prior to making a recommendation of the same to the Board for approval.

All Board Committees, i.e., the ARMC and NRC, shall present to the Board on relevant matters discussed and decisions arrived at, as well as recommendations, if any, made to the Board. Minutes of the Board Committee meetings are also presented to the Board to keep the Board informed of the deliberations and decisions of the said Board Committees. The composition of each Board committee is shown on page 2 of this Annual Report.

For FY2025, the ARMC held five (5) meetings. Prior to the merger of the Nomination Committee and the Remuneration Committee, the Nomination Committee and the Remuneration Committee had held one (1) meeting and two (2) meetings, respectively and after the said merger, the NRC held three (3) meetings during the FY under review.

Remuneration for Directors

The Board has formalised and approved the structure that remunerates the Directors' contribution based on fixed annual Director's fees and Director's meeting allowances, the latter of which are payable based on the number of attendances of the Directors to the Board Committees and Board meetings.

The NRC shall first deliberate the level of annual Director's fees and meeting allowance, the outcome of which shall be recommended to the Board for endorsement before the approval of shareholders is sought in the Company's AGM. The Directors with executive roles and responsibilities in the Group are also entitled to the Director's salary, including certain allowances in connection with the executive roles, the salary and allowances of which are also deliberated by the NRC, and the outcome are then recommended to the Board for approval.

The level of the Director's fees and Director's meeting allowances have been most recently reviewed in the financial year under review, as part of the annual evaluation.



CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

1. BOARD LEADERSHIP AND EFFECTIVENESS cont'd

Remuneration for Directors cont'd

The following section shows the summary of total remuneration for the Executive Directors and Non-Executive Directors by type of remuneration for FY2025.

By type of remuneration	Group		Company	
	Executive Directors [#] RM'000	Non-Executive Directors RM'000	Executive Directors [#] RM'000	Non-Executive Directors RM'000
Directors' fees [#]	55.0	110.7	55.0	110.7
Salary and other emoluments [^]	434.9 [~]	90.8 [@]	434.9 [~]	90.8 [@]
Total	489.9	201.5	489.9	201.5

Notes:

- # Directors' fees are to be approved by the shareholders in the forthcoming Annual General Meeting of the Company.
- @ Inclusive of remuneration for the retirement gratuity payment of RM10,000 to Datuk Teoh Sew Hock, the Non-Independent, Non-Executive Director who retired at the conclusion of Tenth Annual General Meeting. The retirement gratuity payment is intended as a token of appreciation for his past services and contributions to the Company. The retirement gratuity payment has been provisioned under the Directors' benefit for the financial period from 1 January 2025 to 31 December 2025 and approved by the Shareholders at the last Annual General Meeting. The one-off payment made in 2025.
- ~ Inclusive of salary-related payments to the Executive Directors are employer's portion of the Employment Provident Fund ("EPF"), bonus and other allowances where applicable for their executive roles.
- ^ Other emoluments include the meeting allowances for the Directors' attendance to the Board and Board Committees meetings as well as sub or project committees of the Group.

The following section shows the summary of total remuneration for the Directors by bands of remuneration.

Name of Directors	Number of Board meetings attended	Director Fees RM'000	Meeting Allowances RM'000	Salaries & other emoluments [#] RM'000	Total RM'000
Dato' Foong Chee Meng	8/8	45.0	23.5	-	68.5
Tan Tuan Peng	7/8	27.5	17.5	191.1	236.1
Dato' Ng Keng Heng	7/8	27.5	18.0	208.3	253.8
Sophia Lim Chia Hui	8/8	27.5	24.0	-	51.5
Datuk Tew Boon Chin	8/8	27.5	22.0	-	49.5
Datuk Teoh Sew Hock [@]	3/5	10.7	11.3	10.0	32.0
Total		165.7	116.3	409.4	691.4

Notes:

- @ Datuk Teoh Sew Hock retired as Non-Independent Non-Executive Director on 19 November 2024.
- # Other emoluments include salary-related payments to the Executive Directors, such as the employer's portion of the EPF, bonus and other allowances where applicable for their executive roles.



CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

1. BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Company Secretaries

The Board continues to be supported by qualified and competent company secretaries in FY2025. The Board, including any of the Directors of the Company, has direct access to the advice and services of the company secretary who are responsible for ensuring the Board meeting's procedures are adhered to, and applicable rules and regulations are complied with. The company secretaries have also regularly updated and advised the Board and the Management of the Company on any new statutory and regulatory requirements, amongst others, in connection with discharging the duties and responsibilities of the Directors and the Management.

During FY2025, Ms. Nur Shahfaiza Binti Md Yusoff and Ms. Lim Li Ming were appointed on 28 May 2025 as the joint company secretaries of the Company to replace Ms. Lau Yen Hoon and Ms. Liew Shu Ning, who resigned on the even date.

Conduct of Board Meetings

The deliberation of matters by the Board in every meeting held has been carried out with agendas or meeting notices being circulated at least seven (7) days before scheduled dates of meeting, and relevant meeting materials are circulated to the Board and Board committees within reasonable time prior to the meetings save, in accordance with provisions under the Constitution of the Company, for circumstances where special board meetings that have been called for on short notices.

Minutes of all Board and Board committee meetings have been duly circulated to all members of the Board and Board committee as the case may be for review prior to the succeeding meeting, and all members of the Board have direct access to the company secretaries for any queries and doubts raised with regard to the records of the proceedings of all Board and Board committee meetings.

Directors' Training

The Company acknowledges the importance of continuous education, training, and professional development for all Directors, and as such, the Directors are encouraged to attend suitable seminars, conferences, and workshops organised by relevant regulatory authorities and professional bodies to keep abreast with the latest development in the industry, marketplace and/or new statutory and regulatory requirements. Guided by the training needs and requirement matrix for the Directors, most of our directors have participated in some training in relation to the oil palm industry, regulatory requirements or guidelines, and/or financial and taxation matters.

Our newly appointed Non-Independent Non-Executive Director, Mr. Tai Chee How, attended the Mandatory Accreditation Programme Part I (MAP Part I) via the ICDM virtual classroom, organised by ICDM, the MAP-approved Service Provider for Bursa Securities, on 27 and 28 October 2025.

Refer to the table below on the Directors who attended the Mandatory Accreditation Programme Part II (MAP Part II), the MAP-approved Service Provider for Bursa Securities.

	Directors	Date
1	Dato' Foong Chee Meng	14 and 15 May 2025
2	Datuk Tew Boon Chin	7 and 8 May 2025
3	Sophia Lim Chia Hui	21 and 22 May 2025
4	Dato' Ng Keng Heng	21 and 22 May 2025
5	Tan Tuan Peng	21 and 22 May 2025



CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

2. EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee

The Board is committed to furnishing the shareholders of the Company timely with up-to-date Group's financial performance and conditions through disseminating interim financial reports and statements, including notes to the financial statements, annual reports, and relevant announcements to Bursa Securities. The Board is assisted by the ARMC, which shall sit quarterly to review the interim and annual financial reports of the Group.

As of the date of this Statement, the ARMC is made up of three (3) members, all of whom are Non-Executive Directors of the Company. The committee is chaired by Ms Sophia Lim Chia Hui, who is a qualified chartered accountant, and the other members of the Audit and Risk Management Committee are Dato' Foong Chee Meng and Datuk Tew Boon Chin. The profile of the existing ARMC members has been included in Section Audit and Risk Management Committee of this Annual Report.

Prior to the commencement of the annual audit of the financial statements of the Group for the financial year under review, the ARMC conducted a discussion with the External Auditors in 28 May 2025 to assess, amongst others, their independence in acting as External Auditors for the Group. Besides, in the same meeting, deliberation was also held with the External Auditors on audit scope, plan, and approach, as well as the relevant new accounting standards affecting the annual audit of financial statements. The External Auditors of the Group have also provided assurance to the ARMC, confirming their independence for the audit engagement and the conduct of the audit of the Group's financial statements for FY2025.

During the FY under review, the ARMC has undertaken the review of the quarterly financial results, including notes on the financial results of the Group and addressed their queries, if any, to the Management during the meetings of the ARMC. The Management was present in the Board meetings to clarify all queries of the Board with respect to the quarterly financial results. The ARMC, with satisfactory responses from the Management, has reported their view and advice in relation to the quarterly financial result and any relevant matters to the Board before the Board deliberates and approves the results for announcement to Bursa Securities.

The ARMC also exercises its responsibilities by reviewing both the Internal Audit Strategy Document and Audited Financial Statements of the Group and holding discussions with the respective auditors in 28 May 2025 and 7 October 2025, respectively, for any questions and comments the ARMC may have. Guided by the discussions with the auditors and necessary responses and clarifications from the Management, the ARMC then reports to the Board any matters of material concerns, if any, in connection with the financial reporting and performance of the Group, risk management measures and the implementation of internal control systems of the Group and the effectiveness of the same.

During the FY under review, the ARMC exercised its independence to discuss the audit plan, audit approach, and any key areas of concern and the resources with the external and internal auditors. More details of the internal audit performed have been included under Internal Audit Function and Summary of Works Done in the ARMC Report on page 39 of this Annual Report.

The ARMC, under its terms of reference approved by the Board, has the authority to investigate any matters of the Group it has come across in respect of any transactions that raise questions of management integrity, possible conflict of interest, or abuse by a significant or controlling shareholder. The roles and authorities of the ARMC have also been extended to cover any integrity issues in relation to bribery and corruption that may have taken place in the Group. In addition, it also has been granted full access to all information and resources to carry out such inquiries.



CORPORATE GOVERNANCE OVERVIEW STATEMENT *cont'd*

2. EFFECTIVE AUDIT AND RISK MANAGEMENT *cont'd*

Risk Management and Internal Control Framework

In addition to overseeing the proper preparation of the quarterly financial reports and the annual financial statements of the Company and the Group, the ARMC also independently evaluates the adequacy of the risk management and internal control framework of the Group as well as assessing the effectiveness of the implementation by the Management of the components required under the frameworks.

The Company's ARMC is made up of Non-Executive Directors to oversee the Company's risk management framework and policies. The terms of reference of the ARMC can be found on the Company's website, www.matangbhd.com.

The external risk management consultant engaged by the Company has undertaken the risk assessment of the Group, and the report was presented to the ARMC in the meeting on 26 August 2025. With the report, the risk management consultant shall present to the ARMC its conclusions with regard to the risk assessment and management profile of the Group as well as specific areas of concern in terms of risks which the Group is to focus on. For the financial year under review, a summary of the scope of the internal audit review undertaken by the Internal Auditors and the conclusions of the risk management consultant have been included in the Audit and Risk Committee Report and the Statement of Internal Control and Risk Management, respectively.

3. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

The Board uses public announcements made as well as the Company's website, www.matangbhd.com (where relevant announcements of the Company are linked to Bursa Securities), to disseminate information about the Group and major developments to the Group's business to existing and potential shareholders. In that connection, the Company also incorporates investor relations and corporate governance sections on its website, where links to announcements made to Bursa Securities for financial results and corporate developments are posted. Annual reports of the Company are also posted on this part of the website to facilitate download.

Other information provided on the website included the nature and location of the Group's business as well as other corporate information such as the Board Charter, terms of reference of the ARMC and NRC in addition to corporate exercises undertaken and the status or progress update. All aforesaid terms of reference for Board Committees and the Code of Conduct and Ethics for Directors and employees, Whistle Blowing Policy, Anti-Bribery and Anti-Corruption Policy and Directors' Fit and Proper Policy of the Company will be posted timely if there is/are any amendments and/or modifications once the same is approved by the Board.

In accordance with the Listing Requirements, where necessary, the Company either makes necessary announcements or, if approval of shareholders are required, the Company will issue comprehensive circulars to the shareholders to facilitate obtaining shareholders' approval for relevant matters required under the Listing Requirements. In addition, where applicable and appropriate, explanatory notes to special businesses will also be furnished to ensure the availability of adequate information to the shareholders before voting at the. Notices for AGMs will be sent out at least twenty-eight (28) days prior to the date of the meeting and the same notices will be announced to Bursa Securities and published in at least one (1) nationally circulated daily newspapers.



CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

3. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS *cont'd*

Conduct of General Meetings

The forthcoming AGM of the Company is scheduled to be held on 26 November 2025. The Board views that AGMs and extraordinary general meetings will be good opportunities for the shareholders to seek clarification on the performance and development of the Group.

The AGM of the Company for financial year ended 30 June 2024 ("FY2024"), was held virtually on 19 November 2024. The Company had:

- made a presentation of the Group's business and financial performance for FY2024 to its shareholders;
- taken and addressed all questions raised by the shareholders in the said AGM;
- conducted electronic poll voting for all resolutions for which approvals of the shareholders were sought.

For the forthcoming AGM to be held on 26 November 2025, the Company adheres to the practice recommended under the Code to circulate notice for the AGM at least twenty-eight (28) days prior to the date of the said meeting.

The Board envisages that it will, as part of the Board's effort, continue to create open dialogue with the shareholders, to conduct presentation(s) in relation to the Group and its performance along with prospects and outlooks disclosed in compliance with the Listing Requirements. Questions and Answers session with the floor of the audience attending the AGM shall provide chances for the shareholders to have their questions addressed by the Board.

In the event of any questions received from the Minority Shareholders Watchdog Group, the Board shall aim at replying in writing before the general meetings if possible and have the responses/replies summarised for presenting to the shareholders during the general meetings.

The Company shall ensure that all resolutions set out in the notice of any general meeting or any notice of resolutions which are to be properly moved and are intended to be moved at any general meeting will continue to be voted by poll. An independent scrutineer will be appointed by the Company to validate the votes cast at the general meeting.

The Board of Matang recognises the importance of good corporate governance towards safeguarding and enhancing the shareholders' interest and value, the financial performance of the Group as well as the long-term sustainability of the Group. The Board places significant priorities to ensure that principles and recommendations under the Code are adopted by the Group where applicable and practical.

Looking ahead to the financial year ending 30 June 2026, the Board's key focus areas are to evaluate business diversification and explore new business opportunities. Through a review of the management structure and a talent review update, the priority is to maintain a diverse pipeline of talent.

This Corporate Governance Overview Statement has been approved by the Board of Matang on 7 October 2025.

SUSTAINABILITY STATEMENT

OUR MESSAGE ON SUSTAINABILITY

From Stewardship to Strategy: Our Path to 2050

In plantation and property, long cycles necessitate long-term perspectives. Therefore, we are aligning our actions with a 'Sustainability Roadmap 2050', which emphasises responsible growth, efficient resource utilisation, safe and thriving workplaces, and transparent governance. This approach is fundamental to running a resilient business.

For the finance year ended 30 June 2025 ("FY2025"), we focused on establishing a strong foundation by improving governance, standardising data, and incorporating Environmental, Social, and Governance ("ESG") criteria into our daily operations. In addition, we engaged with employees, customers, suppliers, investors, and the broader community to understand their priorities and identify areas where we need to accelerate our efforts. Looking ahead, our priorities are clear: reduce energy and water usage, expand renewable solutions, enhance biodiversity on and around our estates, and improve safety and skills across our workforce, and elevate ethical conduct and supplier practices. Progress will be measured with SMART targets and disclosed annually.



Sustainability at a Glance

FY2025 at a Glance

- **Zero** cases of corruption or data breaches
- **100%** spend with local suppliers
- **147** employees trained on health & safety; 332,280 accident-free man-hours
- Water use: **2,502 m³** (tracking baseline established)
- Energy use: **5,626,261MJ** (efficiency programme launched)
- Community support: **RM6,300** to schools & NGOs (pilot; scaling from FY2026)

Why it matters: These baselines inform our **Roadmap 2050** targets on energy (-50%), water (-40%), Occupation Safety and Health (OSH) (zero fatalities; Lost Time Incident Rate (LTIR) ≤ 0.00), and supply chain (100% ESG-assessed).

Sustainability Roadmap 2050

Roadmap 2050 — Three Horizons

Timeframe	Focus Areas	Key Outcomes
Short-Term (FY2026)	Establish robust ESG data foundations, integrate ESG criteria into procurement, initiate energy and water reduction programmes, and strengthen anti-corruption practices	Reliable baseline ESG data, 10% supplier ESG assessment, 5% reduction in electricity use, 10% reduction in water use, 30% female board representation
Mid-Term (FY2030)	Scale renewable energy adoption, enhance biodiversity protection, expand community investment programmes, deepen workforce diversity	15% renewable energy use, zero major non-compliance cases, 50% suppliers ESG-assessed, increased female workforce participation
Long-Term (FY2050)	Achieve industry leadership in sustainable plantation and property investment practices, fully integrate ESG governance, and create measurable positive impact on stakeholders and the environment	Carbon-neutral operations, 100% ESG-compliant supplier base, 50% renewable energy use, sustained biodiversity enhancement programmes

SUSTAINABILITY STATEMENT cont'd

OUR SUSTAINABILITY COMMITMENT

At Matang Berhad (“Matang” or “the Company” and its subsidiaries (collectively referred to as “Matang Group” or “Group”), we recognise that sustainability is not a one-day achievement but an ongoing journey that demands consistent action, measurable progress, and a clear long-term direction. Integrating sustainability into every aspect of our operations, particularly in the plantation and property investment sectors, is central to how we create enduring value for our stakeholders.

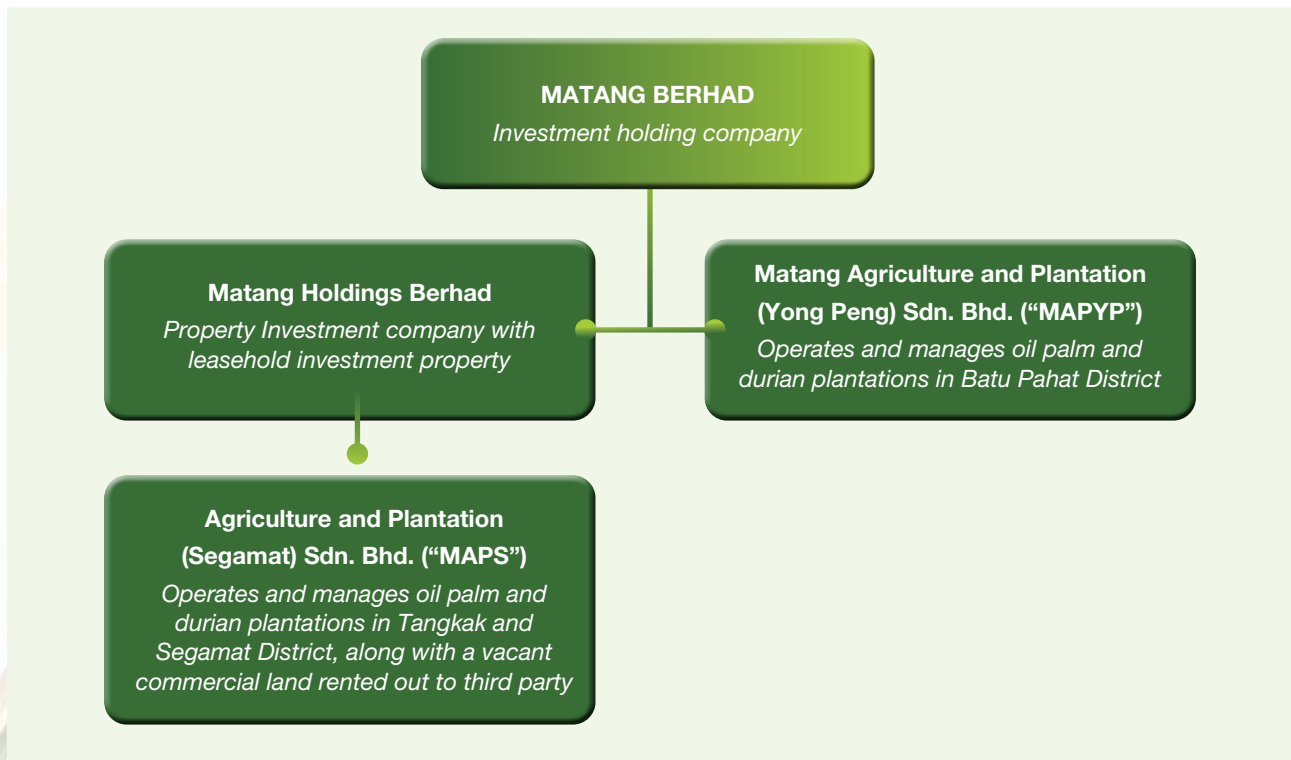
Our sustainability strategy is anchored on three (3) key pillars: economic viability, environmental stewardship, and social responsibility. Guided by our mission to “*Grow A Greener Future Together*”, these pillars are aligned with our Sustainability Roadmap 2050 and the targets set out in Part 2 of this Statement. These targets, covering areas such as governance, sustainable sourcing, energy and water management, workforce practices, diversity, safety, community engagement, and data security, serve as measurable milestones on our path to long-term sustainability leadership.

To ensure these goals are both ambitious and practical, we apply the SMART principles: Specific, Measurable, Achievable, Relevant, and Time-bound. This framework allows us to define clear priorities, track performance against our short-term (FY2026), mid-term (FY2030), and long-term (FY2050) commitments, and adjust where necessary to stay on course.

In this FY2025 Sustainability Statement, we report on our progress against these targets, share the initiatives we have implemented, and outline the actions underway to strengthen our performance in the years ahead. From enhancing anti-corruption measures and improving operational efficiency, to scaling renewable energy and deepening community partnerships, every initiative is a deliberate step toward our 2050 vision, creating a resilient, responsible, and forward-looking Matang Group.

REPORTING COVERAGE AND PERIOD

This Sustainability Statement covers the sustainability activities and performance of Matang Group during the period from 1 July 2024 to 30 June 2025, for the financial year ended 30 June 2025 (“FY2025”). The reporting scope of this Statement includes Matang and its subsidiaries as follows:



SUSTAINABILITY STATEMENT cont'd

OUR SUSTAINABILITY COMMITMENT cont'd

REPORTING FRAMEWORKS AND STANDARDS

The Statement has been developed in accordance with the following best practice guidelines, standards, and frameworks:



FEEDBACK

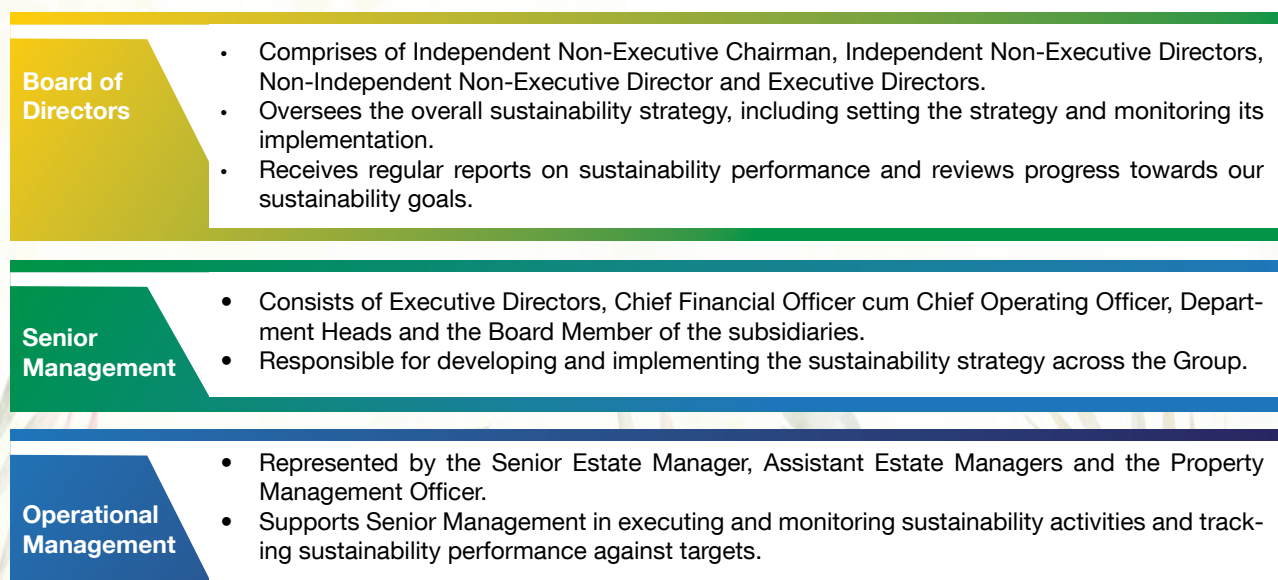
We appreciate and value the feedback, suggestions, and input from our stakeholders regarding this Statement. Your insights on any aspect of our sustainability practices and performance are welcome. For any comments, queries or suggestions regarding the content of this Statement, please email us at info@matangbhd.com.

OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY GOVERNANCE

Our commitment to sustainability is embedded in our governance structure, which is crucial for driving our ongoing sustainability efforts, established in August 2024, this structure is led by the Board of Directors ("Board"), who oversee the overall sustainability strategy. The governance structure is supported by Senior Management, responsible for executing the Board's directives, and the Operational Management team, which implements and monitors sustainability initiatives.

Sustainability matters are discussed in monthly management meetings and as necessary, in quarterly Board meetings. The key roles and responsibilities for sustainability governance are as follows:



SUSTAINABILITY STATEMENT cont'd

OUR APPROACH TO SUSTAINABILITY cont'd

SUSTAINABILITY POLICY

The Sustainability Policy, effective from August 2024, outlines the Group's commitment to ethical business practices, reducing environmental impact, promoting social responsibility, and ensuring economic viability.

The Policy aims to achieve the following key objectives:

- **Governance Sustainability:** Clearly outline ESG-related duties for Matang Berhad's Board of Directors and employees, ensuring accountability and transparency in decision-making processes.
- **Environmental Sustainability:** Foster a corporate culture focused on reducing the Group's environmental impact, including initiatives to protect the biodiversity of its surrounding communities.
- **Economic Sustainability:** Promote economic resilience and sustainable growth within the organisation.
- **Social Sustainability:** Embed sustainability principles into the company's core values employee practices, employee training and development initiatives, and community engagement. We are also committed to promoting sustainability awareness across all levels of the organisation and continuously evaluating ESG practices for ongoing improvement.

These objectives are designed to demonstrate Matang's commitment to integrating sustainability into its core business practices and creating long-term value for all stakeholders.

GOVERNANCE EXCELLENCE POLICIES AND GUIDELINES

We are committed to upholding exemplary corporate governance standards throughout the Group. The sustainability governance at Matang is supported by various policies and guidelines to manage our economic, environmental and social responsibilities. These policies include the following:

- | | | |
|---|--|----------|
|  | Anti-Bribery and Corruption Policy | 1 |
|  | Code of Conducts and Ethics for Directors and Employees | 2 |
|  | Conflict of Interest Policy | 3 |
|  | Whistleblowing Policy | 4 |

SUSTAINABILITY STATEMENT cont'd

OUR APPROACH TO SUSTAINABILITY cont'd

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is central to our value creation strategy for the Group. We actively collaborate with our primary stakeholders across our business operations to ensure their interests and expectations align with our business objectives. The following summary outlines our interactions with key stakeholders, the engagement and communication platforms we use, the areas of concern discussed, and our corresponding responses.

Frequency & Methods of Engagement	Key Concern	Our Response
GOVERNMENT AND REGULATORS / TRADE ASSOCIATIONS & INDUSTRY BODIES		
Ongoing - Worker's documentation Ad-hoc - Inspection by local authority - Regular reporting and submission - Legal compliance	- Commitment to regulatory compliance - Timely reporting and resolution of issues - Maintenance of corporate governance and best business practice	Anti-Corruption, page 58
EMPLOYEES		
Annually - Annual performance review Ongoing - Daily operations - Meeting / Discussion - Training and development Ad-hoc - Employment agreements - Job description	- Employee rewards and recognitions - Well-being and benefits - Personal development - Work-life balance	- Labour Practices & Standards, page 62 - Diversity & Equal Opportunities, page 65 - Occupational Safety and Health, page 66
Frequency & Methods of Engagement	Areas of Concern	Our Response
CUSTOMERS		
Ad-hoc - Proposals / Quotations - Customer needs and requirements - Agreements - Customer visits	- Sustainable products of high quality - Customer experience - Relationship with clientele	- Data Privacy and Security, page 68 - Sustainable Sourcing of Input (Procurement Practices), page 60
SUPPLIERS / CONTRACTORS		
Ongoing - Quotations / Tender - Supply of goods and services - Enquiry and feedback channels - Meeting and discussion with the suppliers Annually - Supplier analysis and assessment	- Compliance with terms and conditions of transaction - Engaging continuously with suppliers - Transparency and objectivity in procurement practices	Sustainable Sourcing of Input (Procurement Practices), page 60

SUSTAINABILITY STATEMENT cont'd

OUR APPROACH TO SUSTAINABILITY cont'd

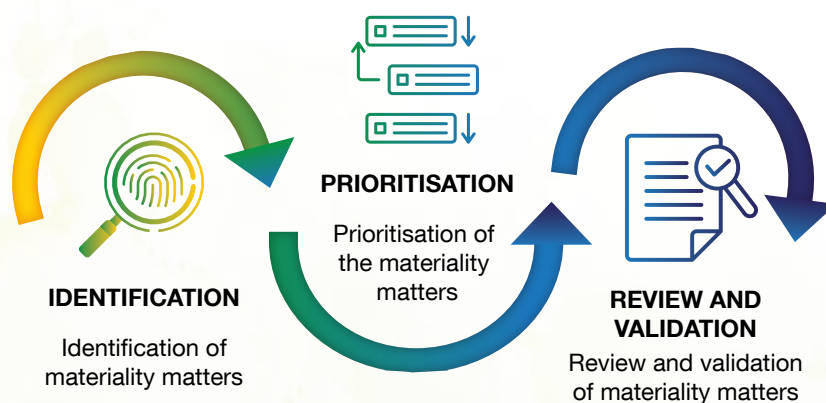
STAKEHOLDER ENGAGEMENT cont'd

Frequency & Methods of Engagement	Areas of Concern	Our Response
SHAREHOLDERS / INVESTORS / FINANCIAL INSTITUTIONS		
Annually - Annual General Meetings - Annual Reports Quarterly - Quarterly Reports Ad-hoc - Investor briefings	- Transparency and profitability - Company growth and value chain - Compliance and governance	Anti-Corruption, page 58
LOCAL COMMUNITIES		
Ongoing - Local community initiatives Ad-hoc - Donation and sponsorship - Participation in job fairs and events - Community development programme - Corporate social events	- Corporate social responsibility - Donations and financial aids - Contribution to social enhancement	Local Communities, page 67

MATERIALITY MATTERS

Materiality is a cornerstone of our value creation journey, enabling us to identify the most significant aspect for both our business and stakeholders. Through materiality assessments, we inform our decision-making by identifying key economic, environmental, and social issues that could impact our business's value and stakeholder relationships.

Materiality Assessment Process



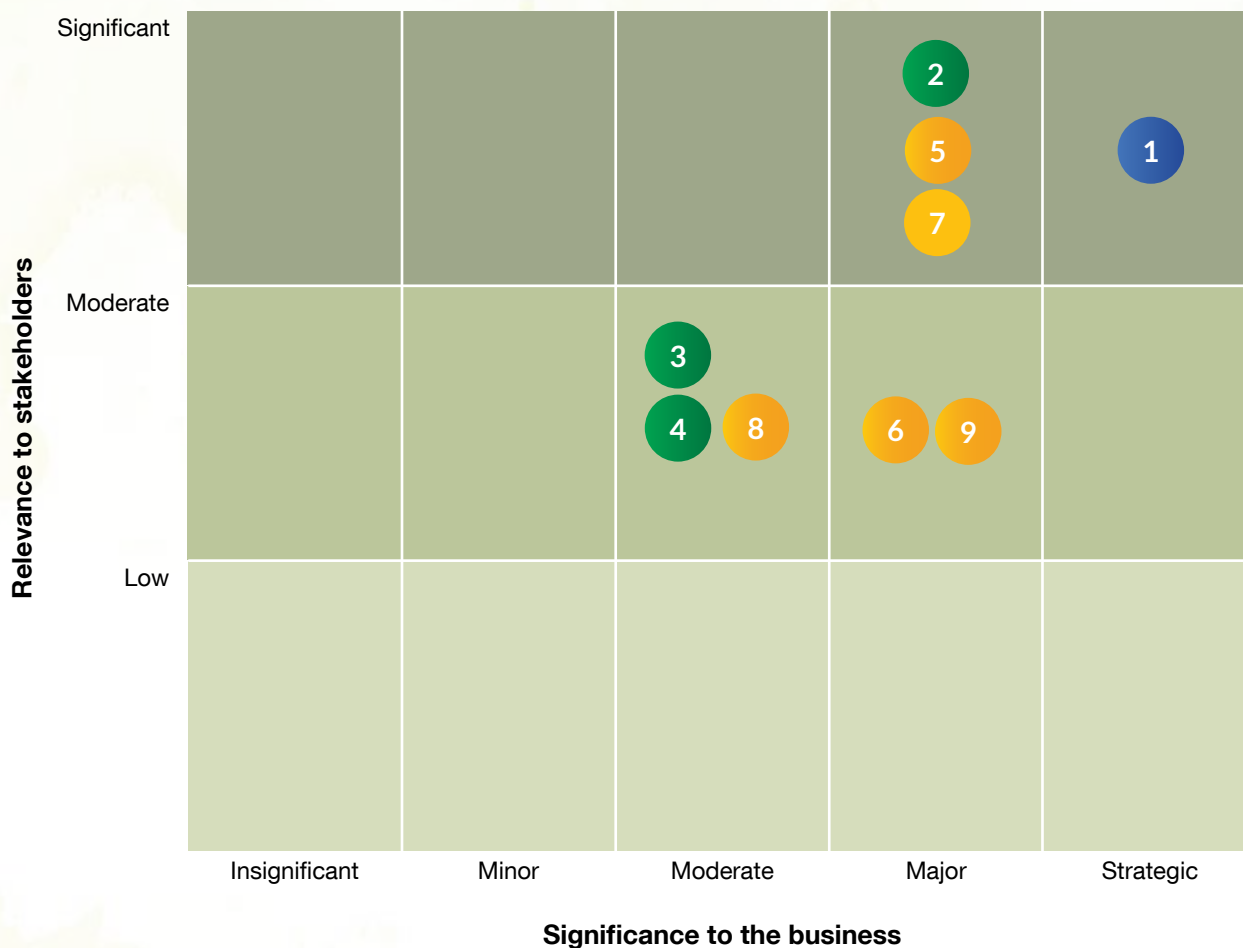
In FY2025, Management, with endorsement from the Board, reviewed Matang's materiality matters to ensure their ongoing relevance. This review adhered to the requirements of the Sustainability Reporting Guide (3rd Edition), ensuring that material matters align with our business environment. Moving forward, we plan to conduct a comprehensive materiality assessment every three years. Additionally, we undertake to perform an annual review to assess the relevance of previously prioritised economic, environmental, social and governance impacts arising from our day-to-day activities.

SUSTAINABILITY STATEMENT cont'd

OUR APPROACH TO SUSTAINABILITY cont'd

MATERIALITY MATTERS cont'd

Materiality Matrix FY2025



ECONOMIC

- 1 Anti-corruption



ENVIRONMENT

- 2 Sustainable Sourcing of Input (Procurement Practices)
- 3 Energy Management
- 4 Water Management



SOCIAL

- 5 Labour Practice and Standards
- 6 Diversity & Equal Opportunities
- 7 Occupational Safety and Health (OSH)
- 8 Local Communities
- 9 Data Privacy and Security



SUSTAINABILITY STATEMENT cont'd

OUR APPROACH TO SUSTAINABILITY cont'd

RISKS AND OPPORTUNITIES

Identifying material issues allows us to proactively manage risks and seize opportunities, as it helps us recognise both. With a comprehensive understanding of their significance, we can set future targets and develop action plans to address associated risks and make the most of potential opportunities.

Materiality Matters	FY2025 Performance	Sustainability Target FY2026
ECONOMIC		
Anti-Corruption	Corruption risk	- Enhance transparency and reporting - Improve the corporate governance practices of the Group
ENVIRONMENTAL		
Sustainable Sourcing of Input (Procurement Practices)	Non-compliance to regulatory requirements/accreditation requirements	Improved sustainability performance through responsible sourcing practices
Energy Management	Climate change risk	- Energy efficiency initiatives - Renewable energy adoption
Water Management	Climate change risk	Water conservation
SOCIAL		
Labour Practices and Standards	- Non-compliance to statutory / regulatory labour requirements - Shortage of labour	- Talent attraction and retention - Training and development programmes
Diversity and Equal Opportunities	Shortage of labour	Ability to contribute diverse ideas, improving the quality of decisions
Occupational Safety and Health	- Health, safety and environmental hazard - Non-compliance to local business / statutory / regulatory requirements	Enhanced safety training and awareness programme
Local Communities	Health, safety and environmental hazard	- Local hiring - Strengthen community engagement and development programmes
Data Privacy and Security	Loss of critical information	Improve data security measures

SUSTAINABILITY STATEMENT cont'd

OUR APPROACH TO SUSTAINABILITY cont'd

FY2025 KEY SUSTAINABILITY HIGHLIGHTS



KEY PERFORMANCE INDICATORS ("KPI")

A set of sustainability targets and Key Performance Indicators ("KPIs") has been established for Management, organised around our sustainability pillars. These KPIs were set in July 2024, approved by the Board in August 2024, and developed with input from relevant Heads of Department. To ensure we meet these KPIs, we have implemented specific sustainability targets, as shown in the table below.

Materiality Matters	FY2025 Performance	Sustainability Target FY2026
Anti-Corruption	- The data related to operations assessed for corruption-related risks is not available - Zero corruption and bribery cases	- Achieve and maintain 100% of employees trained on anti-corruption by category: - Management - Executive: - Non-executive: - Achieve and maintain 100% of operations assessed for corruption-related risks - Zero corruption and bribery cases
Sustainable Sourcing of Input (Procurement Practices)	100% spending on local suppliers - The data related to suppliers assessed for environmental impacts is not available	- Maintain at least 80% of spending on local suppliers - Achieve and maintain 10% of suppliers assessed for environmental impacts
Energy Management	Electricity consumption increased by 13%	Reduce electricity consumption by 5%
Water Management	Increase in water consumption by 23%	Reduce water consumption by 10%
Labour Practices and Standards	- Zero cases of non-compliance cases with relevant employment laws and regulations 79% of employees are under temporary contract	- Zero cases of major non-compliance with relevant employment laws and regulations - Achieve / Maintain 80% of employees that are under temporary contract

SUSTAINABILITY STATEMENT cont'd

OUR APPROACH TO SUSTAINABILITY *cont'd*

KEY PERFORMANCE INDICATORS ("KPI") *cont'd*

Materiality Matters	FY2025 Performance	Sustainability Target FY2026
Diversity and Equal Opportunities	Obtained 20% of female Board composition	Achieve at least 30% female Board composition
Occupational Safety and Health ("OSH")	- Zero non-compliance cases with relevant health and safety laws and regulations - Zero work-related fatalities	- Maintain zero non-compliance with relevant health and safety laws and regulations - Maintain zero work-related fatalities
Local Communities	- Allocated RM6,300 in community engagement activities - Provided 3 beneficiaries with investment in communities	- Allocate a budget of RM3,600 in community engagement activities - Achieve at least 2 beneficiaries of the community investments.
Data Privacy and Security	Zero cases of complaints relating to customer privacy and losses of customer data	Achieve zero complaints concerning breaches of customer privacy and losses of customer data

OUR SUSTAINABILITY PROGRESS

ECONOMIC

ANTI-CORRUPTION

Matang Group is committed to operating with the highest ethical standards and governance excellence. Our actions reflect our core values and promote a culture of accountability and responsibility throughout the Group.

Our Approach

The following section details the frameworks and policies that underpin our commitment to responsible business practices.



ANTI-BRIBERY AND CORRUPTION POLICY

Matang Berhad enforces a zero-tolerance policy against bribery and corruption. The Group is committed to ethical and transparent business practices in compliance with relevant laws.

This policy applies to all employees, directors, and business associates within the Matang Group. It defines key terms such as bribery, corruption, facilitation payments and prohibits the giving or receiving gifts for undue advantages, as well as facilitation payments and political donations. Charitable donations are permitted under strict guidelines.

SUSTAINABILITY STATEMENT cont'd

OUR SUSTAINABILITY PROGRESS cont'd

ECONOMIC cont'd

ANTI-CORRUPTION cont'd



WHISTLE BLOWING POLICY

Matang Berhad's Whistle Blowing Policy encourages employees and the public to report any concerns about unethical or illegal activities. All reports will be treated confidentially, and whistleblower(s) are protected from retaliation. Any concerns can be reported verbally or in writing via a letter or email to:

By post:

Chairman of the Audit and Risk Management Committee
Matang Berhad
Unit 39.02, Level 39, Menara Multi-Purpose, Capital Square, 8,
Jalan Munshi Abdullah, 50100 Kuala Lumpur

By email:

ARMCChairman@matangbhd.com

The detail Whistle Blowing Policy is available on our corporate website at
<https://matangbhd.com/corporate-governance/>



CODE OF CONDUCTS AND ETHICS FOR THE DIRECTORS

Matang Berhad's Code of Conduct and Ethics mandates the highest standards of integrity, professionalism, and ethical conduct from its Board members. Directors must prioritise the interests of the Company and its stakeholders, avoid conflicts of interest, safeguard confidential information, and responsibly utilise company resources.

The Anti-Bribery and Corruption Policy is available on our corporate website at
<https://matangbhd.com/corporate-governance/>

Although no Anti-Bribery and Corruption training was conducted in FY2025, we are committed to implementing mandatory training for employees in response to any policy updates or regulatory changes. Additionally, we ensure that our suppliers align with our Anti-Bribery and Corruption guidelines, as outlined in the Policy. Compliance is mandatory, and suppliers must affirm their commitment to these standards by signing a declaration form.

Our Performance

No misconduct cases related to corruption or bribery were reported in FY2025. To maintain this positive record and further strengthen our anti-corruption measures, we plan to expand our anti-corruption training to all employees as needed and conduct regular risk assessments across our operations. This proactive approach will help us identify potential vulnerabilities and implement effective preventive measures.

SUSTAINABILITY STATEMENT cont'd

OUR SUSTAINABILITY PROGRESS cont'd

ECONOMIC cont'd

ANTI-CORRUPTION cont'd

Our Performance cont'd

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2023	FY2024	FY2025
Confirmed incidents of corruption and action taken	Zero corruption and bribery cases	Number	Nil	Nil	Nil
Percentage of operations assessed for corruption-related risk	Achieve / Maintain 100% of operations assessed for corruption-related risks	Percentage	Nil	Nil	Nil

ENVIRONMENT

SUSTAINABLE SOURCING OF INPUT (PROCUREMENT PRACTICE)

Matang Berhad is committed to sustainable and resilient oil palm and durian plantations. We prioritise responsible procurement practices by integrating sustainability throughout our supply chain.

Our Approach

At Matang, our procurement processes are standardised and transparent, as outlined in our Procurement Manual. We are proud to support local economic growth by sourcing 100% of our products and services from local suppliers, fostering strong partnerships with small and medium enterprises ("SMEs").

While our current procurement manual does not explicitly address sustainability criteria, we recognise its growing importance. We are committed to integrating ESG considerations into our procurement processes to enhance our supply chain's environmental and social impact.

Our Performance

Matang has consistently achieved a 100% local sourcing rate, demonstrating a strong commitment to supporting the local economy for the last 3 financial years.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2023	FY2024	FY2025
Proportion of spending on local suppliers	Maintain at least 80% of spending on local suppliers	Percentage	100%	100%	100%
Suppliers assessed for environmental impacts ¹	Achieve 10% of suppliers assessed for environmental impacts	Percentage	Nil	Nil	Nil

Note:

1. No data has been collected for FY2023, FY2024 and FY2025.

SUSTAINABILITY STATEMENT cont'd

OUR SUSTAINABILITY PROGRESS cont'd

ENVIRONMENT cont'd

ENERGY MANAGEMENT

Strategic energy management is vital for cost efficiency, regulatory compliance, and sustainability advancement, strengthening our corporate responsibility and boosting our competitiveness in the agricultural industry.

Our Approach

Matang Group is committed to sustainable and efficient plantation operations. We implement practical energy management strategies, including energy tracking, equipment optimisation, and waste reduction. Additionally, we utilise solar lighting in office areas, staff quarters and durian plantation areas, and we have implemented electric water pumps to minimise diesel consumption.

By adopting these measures, we aim to lower costs, reduce our environmental impact, and explore renewable energy options such as solar panels and biomass.

Our Performance

In FY2025, the Group's energy consumption, encompassing both electricity and fuel, totalled 5,626,261 MJ. We have established a 5% reduction target for electricity consumption by FY2030 to bolster our sustainability efforts.

However, the increase in electricity consumption during FY2025 was mainly attributed to higher usage by one of our tenants, where several of them expanded their operating hours, including 24-hour operations, to meet production demand. This extended usage, along with additional equipment and facility requirements, contributed to the rise in overall electricity consumption.

In line with our ESG commitments, the Group has highlighted the importance of energy efficiency to tenants and provided awareness initiatives to encourage responsible usage. Moving forward, we are working closely with tenants to improve energy efficiency.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2023	FY2024	FY2025
Electricity consumption	-	kWh	617,492	616,941	697,914
Fuel (Diesel)	-	litre	24,138	36,573	77,457
Total energy consumption	-	MJ	3,193,246	3,691,112	5,626,261
Percentage of change in electricity consumption	Reduce electricity consumption by 5%	Percentage	412%	(0.0009%)	13%

Note:

1. Conversion factors used are 1 kWh = 3.6 MJ and 1 litre of diesel = 40.2 MJ.

SUSTAINABILITY STATEMENT cont'd

OUR SUSTAINABILITY PROGRESS cont'd

ENVIRONMENT cont'd

WATER MANAGEMENT

Responsible water management is fundamental to sustaining crop health and maximising yields across our oil palm and durian plantations. We closely monitor consumption in irrigation and processing, utilise water catchment ponds, and adopt efficient pumping systems to minimise waste. These measures not only safeguard long-term productivity but also reduce our environmental footprint and strengthen resilience against climate-related water risks.

Our Approach

Our water management strategy is centred on the sustainable and efficient use of water resources across our oil palm and durian plantations. By closely monitoring water consumption in irrigation, processing, and other operational activities, and implementing water-saving techniques, we aim to reduce our water footprint and support local water conservation efforts. We maintain three water ponds in the durian plantation area and one in the nursery for effective water catchment, which is then used to supply the surrounding areas.

Our Performance

In FY2025, the Group monitored and reported total water consumption of 2,502 m³, representing a 23% reduction compared to the previous year. The decrease was primarily attributable to the lower number of operational staff in plantation areas during the year.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2023	FY2024	FY2025
Total volume of water used	-	m ³	2,687	3,263	2,502
Percentage of change in water consumption	Reduce water consumption by 10%	Percentage	69%	21%	-23%

LABOUR PRACTICES AND STANDARDS

At Matang Group, we value our employees as the driving force behind our success. We are committed to upholding fair labour practices and cultivating a supportive, inclusive work environment. We believe that prioritising employee well-being and engagement is essential to fostering motivation and ensuring long-term business sustainability. To support this, we have introduced initiatives such as continuous training and professional development opportunities. By investing in our people, we are ultimately investing in the future growth and resilience of our company.

Our Approach

The Group remains fully committed to upholding ethical labour practices by strictly complying with all local labour and employment laws. Our strong track record of zero non-compliance cases to date reflects the robustness of our governance framework and our unwavering commitment to fair and transparent practices.

Beyond compliance, we place equal emphasis on safeguarding the health, safety, and well-being of our employees. Through comprehensive occupational health and safety policies, competitive benefits packages, and recognition programmes—including medical coverage and insurance support, we strive to create a workplace where employees feel valued and protected. By fostering an inclusive, supportive, and motivating environment, we not only empower our people to thrive but also strengthen Matang's long-term sustainability and success.

SUSTAINABILITY STATEMENT cont'd

OUR SUSTAINABILITY PROGRESS cont'd

SOCIAL

Talent Acquisition and Retention

Building a strong talent pipeline is crucial for our ongoing success at the Group. Our thorough recruitment process, aligned with our HR Policy and Procedures, focuses on identifying candidates who embody our values and contribute to our growth.

In FY2025, we achieved an employee turnover rate of 19.52%, primarily due to the completion of the Corporate Smart Internship programme for 'Orang DiParol' ("ODP") by Segamat Estate. We remain committed to fostering a positive work environment. By investing in employee development, offering competitive compensation, and prioritizing work-life balance, we aim to reduce turnover and retain top talent.

Employees Engagement

We implement various employee engagement initiatives in FY2025 such as follows:

1. *'Majlis Sambutan Hari Raya Aidilfitri Tahun 2025'*
2. *'Pemberian Ayam 1 Ekor kepada Pekerja Sempena Hari Raya Aidilfitri'*
3. *'Pemberian Kurma 1 Kotak kepada Pekerja Sempena Menyambut Bulan Ramadhan (Puasa)'*

Compensation and Benefits

We recognise and reward exceptional performance, high-quality results, and exemplary behaviour through structured incentives such as bonuses, promotions, and career development opportunities. Our objective is to cultivate a motivating and supportive workplace culture that not only acknowledges individual contributions but also fosters collective growth. By offering competitive benefits, fair compensation, and clear pathways for advancement, we aim to attract, engage, and retain top talent, ensuring the long-term resilience and success of Matang Group.

No Child and Forced Labour Policy

The Group maintains a zero-tolerance policy toward child labour and forced labour across all operations, whether direct or through business partners. We are committed to upholding the highest standards of human rights and ethical employment, ensuring that all workers are treated with dignity and respect.

Foreign and contract workers are employed strictly in compliance with Jabatan Tenaga Kerja regulations, including the provision of fair wages, permissible deductions, and adequate living conditions. By embedding these principles into our labour practices, we safeguard the well-being of our workforce, reinforce responsible supply chain management, and uphold our commitment to international labour standards.

SUSTAINABILITY STATEMENT cont'd

OUR SUSTAINABILITY PROGRESS cont'd

SOCIAL cont'd

Our Performance

The table below outlines the relevant sustainability indicators and their targets related to 'Labour Practices and Standards'. For indicators without established targets, we are in the process of developing appropriate sustainability targets by FY2026.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2023	FY2024	FY2025
Percentage of employees who are contract or temporary staff, including foreign workers	Maintain 80% of employees who are under temporary contract, including foreign workers	Percentage	74.29%	81.3%	79.88%
Total number of employee turnover by employee category: a) Management b) Executive c) Non-executive	-	Number	a) 0 b) 0 c) 0	a) 1 b) 1 c) 6	a) 2 b) 0 c) 2
Employee turnover rate	-	Percentage	Nil	5%	19.52%

Total Hours of Training by Employee Category

Year	Sustainability Target	Training Hours		
		Management	Executive	Non-Executive
FY2023	-	120	16	8
FY2024		72	8	40
FY2025		57	65	139

Non-Compliance Cases with Relevant Employment Laws and Regulations

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2023	FY2024	FY2025
Number of substantiated complaints concerning human rights violation	Zero cases of major non-compliance with relevant employment laws and regulations	Number	Nil	Nil	Nil
Number of non-compliance cases with relevant employment laws and regulations		Number	Nil	Nil	Nil

SUSTAINABILITY STATEMENT cont'd

OUR SUSTAINABILITY PROGRESS cont'd

SOCIAL cont'd

DIVERSITY AND EQUAL OPPORTUNITY

We embrace diversity and champion equal opportunity, gaining a competitive edge and driving innovation by leveraging a wide range of perspectives and talents.

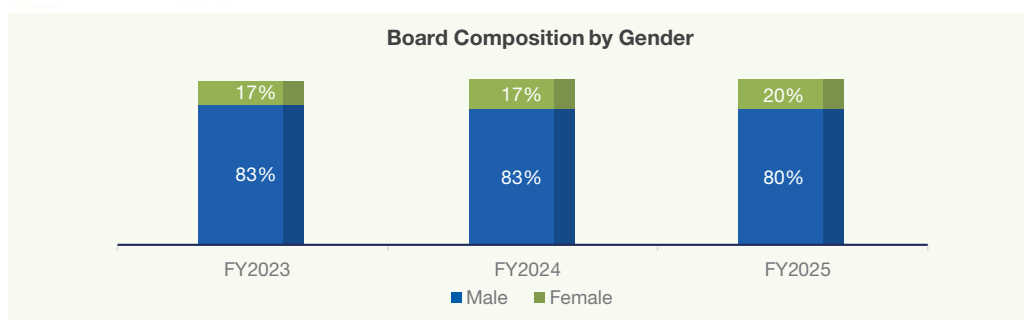
Our Approach

The Group upholds a strong commitment to equal employment opportunities irrespective of race, gender, or age. Our workforce reflects the nation's diversity, encompassing all major racial groups and both genders across our operations. We have further strengthened inclusivity through the appointment of our first female Director and by extending employment opportunities to ex-convicts under the Parole and Community Services Programme. To date, twenty-eight parolees have been employed at Matang Estate, with a number of them continuing their service beyond the completion of their parole period.

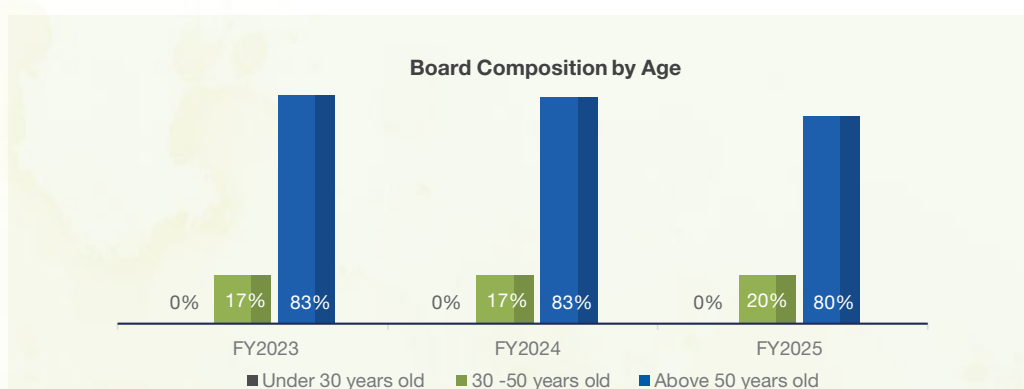
Our Performance

Board Composition

Board of Directors' Composition by Gender



Board of Directors' Composition by Age



The diagrams above illustrate the gender and age distribution of the Group's Board members.

As of FY2025, the Board comprises five members, with a gender composition of four men and one woman. The Board's average age reflects experienced leadership, with 80% of members aged above 50 and 20% between the ages of 30 and 50. While the Group acknowledges the challenge of attaining 30% female representation on the Board, in line with prevailing industry trends, it remains committed to enhancing gender diversity across the organisation by 2028. The appointment of a female Director in mid-2022 represents a significant milestone towards achieving this objective.

SUSTAINABILITY STATEMENT cont'd

OUR SUSTAINABILITY PROGRESS cont'd

SOCIAL cont'd

DIVERSITY AND EQUAL OPPORTUNITY cont'd

Employee Composition

Employee Composition by Gender

Year	Management		Executive		Non-Executive	
	Male	Female	Male	Female	Male	Female
FY2023	66.7%	33.3%	60.0%	40.0%	97.9%	2.1%
FY2024	66.7%	33.3%	50.0%	50.0%	97.2%	2.8%
FY2025	66.7%	33.3%	60.0%	40.0%	95.0%	4.9%

Employee Composition by Age

Year	Management			Executive			Non-Executive		
	< 30	30-50	>50	< 30	30-50	>50	< 30	30-50	>50
FY2023	Nil	33.3%	66.7%	20.0%	60.0%	20.0%	12.4%	67.0%	20.6%
FY2024	Nil	66.7%	33.3%	Nil	75.0%	25.0%	25.2%	68.5%	6.3%
FY2025	Nil	66.7%	33.3%	Nil	80.0%	20.0%	21.1%	71.4%	7.4%

The Group's workforce is predominantly male (95%), reflecting the historical gender imbalance within the agricultural sector. The physically demanding nature of plantation work has traditionally attracted a male workforce. While female representation remains limited, the Group recognises and values the importance of workforce diversity, acknowledging the contributions of employees from different backgrounds, experiences, and perspectives. Such diversity continues to be a key driver of the Group's long-term success and its positive impact on the community.

OCCUPATIONAL SAFETY AND HEALTH ("OSH")

Matang Group places the highest priority on the health and safety of all employees and contractors across its operations and workplaces. The Group is committed to maintaining a safe and secure working environment that minimises the risk of injuries and occupational illnesses, thereby supporting the well-being of its workforce and enhancing overall productivity.

Our Approach

The Group has established comprehensive OSH guidelines to safeguard employees against sector-specific hazards, including sharp tools, chemicals, and machinery. The Group is committed to maintaining a safe and healthy workplace to prevent accidents and occupational illnesses, thereby supporting both employee well-being and operational productivity.

This commitment is reinforced through continuous OSH assessments, regular worker training programmes, and strict adherence to industry best practices. All employees are provided with appropriate personal protective equipment ("PPE"), with its proper use strictly enforced. In addition, Hazard Identification, Risk Assessment and Determining Control ("HIRADC") plans are prepared and implemented for all categories of work to ensure risks are effectively managed and mitigated.

SUSTAINABILITY STATEMENT cont'd

OUR SUSTAINABILITY PROGRESS cont'd

SOCIAL cont'd

OCCUPATIONAL SAFETY AND HEALTH (“OSH”) cont'd

Our Performance

In FY2025, the Group invested in its workforce by providing health and safety training to 147 employees. Reinforcing its strong commitment to workplace safety, the Group successfully recorded 332,280 accident-free man-hours during the year. This achievement underscores the effectiveness of the Group's safety management systems in safeguarding employees, protecting equipment, and maintaining a secure work environment.

Health & Safety Training

	FY2023	FY2024	FY2025
Number of employees trained on health and safety standards	101	145	147

Work-related Injuries

The LTIR has decreased this year due to fewer incidents occurring. Several actions for this reduction include increasing safety awareness among management and workers, strictly enforcing the use of PPE and providing continuous safety training.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2023	FY2024	FY2025
Total Hours Worked	-	Number	108,623	260,592	332,280
Number of cases of non-compliance with OSH regulations	Zero cases of non-compliance with OSHA regulation	Number	Nil	Nil	Nil
Number of Fatalities	Zero cases of fatalities	Number	Nil	Nil	Nil
Lost Time Incident Rate (LTIR)	-	Percentage	0.014	0.005	Nil

LOCAL COMMUNITIES

Matang Group is dedicated to building strong community partnerships. These relationships are essential for driving social progress and creating long-term benefits for all.

Our Approach

We are committed to being a responsible corporate citizen. We actively support our communities through donations to schools and non-profit organisations. By investing in education, we help nurture local talent and improve the overall quality of life. These initiatives not only benefit our community but also enhance our reputation as a socially responsible organisation, attracting customers and investors who share our values.

SUSTAINABILITY STATEMENT cont'd

OUR SUSTAINABILITY PROGRESS cont'd

SOCIAL cont'd

LOCAL COMMUNITIES cont'd

Our Performance

In FY2025, a total of RM6,300 was donated to various parties, including non-profit organisations and schools. Some of the notable donations made by the Group are as follows:

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2023	FY2024	FY2025
Total amount invested where the target beneficiaries are external to Matang	Allocate a budget of RM 3,600 in community engagement activities	RM	1,300	1,300	6,300
Total number of beneficiaries of the investment in communities	Achieve at least 2 number of beneficiaries	Number	2	2	3

DATA PRIVACY AND SECURITY

The rapid adoption of digital technologies, driven by trends like remote work and e-commerce, has significantly increased cybersecurity risks. To protect business and customer data, the Group is committed to safeguarding against cyberattacks and preventing data breaches. Furthermore, ensuring compliance with data protection regulations can be more challenging in a remote work environment. The Group implement and enforce policies to protect sensitive information and maintain compliance with relevant laws and regulations.

Our Approach

Our Group prioritises customer privacy and fully complies with the Personal Data Protection Act 2010 ("PDPA"). Our robust data protection measures, embedded in our IT Policy, include strict confidentiality protocols, regular security updates, and controlled access management. In addition, our Code of Conduct enforces stringent confidentiality measures that ensures the protection of sensitive customer information.

Our Performance

We have experienced no data breaches in FY2025, consistent with our track record, as there were no reported incidents in the previous financial years.

Sustainability Indicator	Sustainability Target	FY2023	FY2024	FY2025
Number of breaches of customer and privacy data	To obtain zero complaints concerning breaches of customer privacy and losses of customer data	Nil	Nil	Nil

SUSTAINABILITY STATEMENT cont'd

OUR SUSTAINABILITY PROGRESS cont'd

MOVING FORWARD / INITIATIVES FOR FY2026

Looking ahead to FY2026, the Group remains committed to driving positive change and advancing sustainability across its operations. The planned initiatives for the coming year will focus on the following key areas:

- **Data Collection and Monitoring:** Strengthening data collection, storage, and tracking systems to enhance the accuracy, efficiency, and consistency of sustainability reporting across all operations.
- **Continuous Training Programmes:** Expanding employee training initiatives with a focus on sustainability best practices and ESG awareness, thereby fostering a stronger culture of accountability and responsibility within the workforce.
- **Energy and Resource Efficiency:** Improving energy and water efficiency through conservation programmes, equipment upgrades, and sustainable agricultural practices.
- **Community Engagement:** Enhancing social impact by supporting local communities through employment opportunities, skills development, and community-based programmes.
- **Governance and Compliance:** Strengthening ESG governance by aligning with recognised frameworks such as the Global Reporting Initiative (GRI) and the United Nations Sustainable Development Goals (UNSDGs), while ensuring full compliance with applicable laws and regulations

ASSURANCE STATEMENT

This Sustainability Statement has not been subjected to an assurance process.

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2023	2024	2025
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100%	100%	100%
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	Nil	Nil	Nil
Executive	Percentage	Nil	Nil	Nil
Non-executive	Percentage	Nil	Nil	Nil
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	Nil	Nil	Nil
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	Nil	Nil	Nil

SUSTAINABILITY STATEMENT cont'd

PERFORMANCE DATA TABLE cont'd

Indicator	Measurement Unit	2023	2024	2025
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megajoules	3,193,246	3,691,112	5,626,261
Bursa (Water)				
Bursa C9(a) Total volume of water used	m ³	2,687	3,263	2,502
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	Nil	Nil	Nil
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.014	0.005	Nil
Bursa C5(c) Number of employees trained on health and safety standards	Number	101	145	147
Bursa (Employee Management)				
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	Nil	1	2
Executive	Number	Nil	1	Nil
Non-executive	Number	Nil	6	2
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	Nil	Nil	Nil
Management Between 30-50	Percentage	33.3%	66.7%	66.7%
Management Above 50	Percentage	66.7%	33.3%	33.3%
Executive Under 30	Percentage	20.0%	Nil	Nil
Executive Between 30-50	Percentage	60.0%	75.0%	80.0%
Executive Above 50	Percentage	20.0%	25.0%	20.0%
Non-executive Under 30	Percentage	12.4%	25.2%	21.2%
Non-executive Between 30-50	Percentage	67.0%	68.5%	71.4%
Non-executive Above 50	Percentage	20.6%	6.3%	7.4%
Gender Group by Employee Category				
Management Male	Percentage	66.7%	33.3%	66.7%
Management Female	Percentage	33.3%	66.7%	33.3%
Executive Male	Percentage	60.0%	50.0%	60.0%
Executive Female	Percentage	40.0%	50.0%	40.0%
Non-executive Male	Percentage	97.9%	97.2%	95.1%
Non-executive Female	Percentage	2.1%	2.8%	4.9%

SUSTAINABILITY STATEMENT cont'd

PERFORMANCE DATA TABLE cont'd

Indicator	Measurement Unit	2023	2024	2025
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	83%	83%	80%
Female	Percentage	17%	17%	20%
Under 30	Percentage	Nil	Nil	Nil
Between 30-50	Percentage	17%	17%	20%
Above 50	Percentage	83%	83%	80%
Bursa C6(b) Percentage of employees who are contractors or temporary staff	Percentage	24.8%	12.6%	79.8%
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	Nil	Nil	Nil
Bursa (Training and development)				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	120	72	57
Executive	Hours	16	8	65
Non-executive	Hours	8	40	139
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	1,300	1,300	6,300
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	2	2	3
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	Nil	Nil	Nil

Note:

Internal assurance	External assurance	No assurance	(*) Restated
--------------------	--------------------	--------------	--------------



SUSTAINABILITY STATEMENT cont'd

Indicator	Measurement Unit	2025
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	0.00
Executive	Percentage	0.00
Non-executive/Technical Staff	Percentage	0.00
General Workers	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	6,300.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	3
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	66.70
Management Above 50	Percentage	33.30
Executive Under 30	Percentage	0.00
Executive Between 30-50	Percentage	80.00
Executive Above 50	Percentage	20.00
Non-executive/Technical Staff Under 30	Percentage	21.10
Non-executive/Technical Staff Between 30-50	Percentage	71.40
Non-executive/Technical Staff Above 50	Percentage	7.40
General Workers Under 30	Percentage	0.00
General Workers Between 30-50	Percentage	0.00
General Workers Above 50	Percentage	0.00
Gender Group by Employee Category		
Management Male	Percentage	66.70
Management Female	Percentage	33.30
Executive Male	Percentage	60.00
Executive Female	Percentage	40.00
Non-executive/Technical Staff Male	Percentage	95.00
Non-executive/Technical Staff Female	Percentage	4.90
General Workers Male	Percentage	0.00
General Workers Female	Percentage	0.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	80.00
Female	Percentage	20.00
Under 30	Percentage	0.00
Between 30-50	Percentage	20.00
Above 50	Percentage	80.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	5,626,261.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	147
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	57
Executive	Hours	65
Non-executive/Technical Staff	Hours	139
General Workers	Hours	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	79.88

SUSTAINABILITY STATEMENT cont'd

Indicator	Measurement Unit	2025
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	2
Executive	Number	0
Non-executive/Technical Staff	Number	2
General Workers	Number	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	2,502.00

SUSTAINABILITY STATEMENT cont'd

GRI CONTENT INDEX

Statement of use: Matang Berhad has reported information cited in this GRI content index for the period of 1 July 2024 to 30 June 2025 in accordance with the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

GRI STANDARD / OTHER SOURCE	DISCLOSURE ITEM	REFERENCE PAGES(S) IN ANNUAL REPORT
GRI 2: General Disclosures 2021		
2-1	Organisation details	2
2-2	Entities included in the organisation's sustainability reporting	2, 50
2-3	Reporting period, frequency and contact point	50
2-6	Activities, value chain and other business relationship	3
2-7	Employees	66
2-8	Workers who are not employees	64
2-9	Governance structure and composition	40
2-10	Nomination and selection of highest governance body	2, 6-9
2-11	Chair of the highest governance body	40
2-12	Role of the highest governance body in overseeing the management of impacts	6-9
2-15	Conflict of interest	34
2-16	Communication of critical concerns	16
2-22	Statement on sustainable development strategy	49
2-23	Policy commitments	52
2-27	Compliance with laws and regulations	51, 76
2-29	Approach to stakeholder engagement	40
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	53
3-2	List of material topics	54
3-3	Management of material topics	56
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	60
GRI 205: Anti-corruption 2016		
205-1	Operation assessed for risks related to corruption	58
205-2	Communication and training about anti-corruption policies and procedures	59
205-3	Confirmed incidents of corruption and actions taken	60
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	61
302-4	Reduction of Energy Consumption	61

SUSTAINABILITY STATEMENT cont'd

GRI CONTENT INDEX cont'd

GRI STANDARD / OTHER SOURCE	DISCLOSURE ITEM	REFERENCE PAGES(S) IN ANNUAL REPORT
GRI 303: Water and Effluents 2018		
303-5	Water consumption	62
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	64
401-2	Benefit provided to full-time employees that are not provided to temporary or part-time employees	64
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	67
403-2	Hazard identification, risk assessment, and incident investigation	67
403-4	Worker participation, consultation, and communication on occupational health and safety	67
403-5	Worker training on occupational health and safety	67
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	64
404-2	Programs for upgrading employee skills and transition assistance programs	59
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	65
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	68
413-2	Operations with significant actual and potential negative impacts on local communities	68
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	68



ADDITIONAL COMPLIANCE INFORMATION

Other information required by the ACE Market Listing Requirements (“AMLR”) of Bursa Securities

Status of Utilisation of Proceeds

(1) Issuance of 362,000,000 Shares pursuant to the Private Placements in 2021 (“PP 2021”)

The Board had earlier on 28 February 2024 resolved that:

- (i) The balance of unutilised working capital of RM11.34 million as of 31 March 2024 be used in the future for working capital purposes of the Group, and
- (ii) In the event of any of the future acquisition(s) of new oil palm plantation(s), durian plantation(s), and/or new land bank for the aforesaid plantation purposes arise or materialise, the Board shall re-allocate any balance amount unutilised to satisfy the purchase consideration arising from such acquisition(s).

For the financial year ended 30 June 2025 (“FY2025”), The Group utilised RM2.65 million as working capital for durian plantation, with the balance unutilised working capital as of 30 June 2025 stood at RM8.02 million.

(2) Issuance of 217,200,020 Matang shares pursuant to the private placement exercise undertaken in 2022 (“PP 2022”)

Pursuant to the approval obtained from the Shareholders in the Extraordinary General Meeting (“EGM”) on 19 November 2024 on the Proposed Variation, the Balance Proceeds amounting to RM14.02 million earmarked for future acquisitions to the Group’s working capital are to be utilised towards the working capital requirements of the Group in the following manner:

	Descriptions	RM’000
1	Development and operational expenditures including but not limited to purchase of equipment and raw materials, land clearing, earthworks and planting costs, and the upkeep and maintenance costs of the oil palm and durian plantation(s)	10,000
2	Downstream durian activities, including the development and initial setting up of the half-processing and/ or full-processing durian downstream product and the subsequent operational expenditures	4,020
	Total	14,020

Notwithstanding the above, the actual breakdown of the proceeds earmarked for working capital is subject to Matang Group’s operational requirements at the time of utilisation and as such can only be determined at a later stage. In the event of a surplus/deficit in the allocated amounts for the above working capital requirements, such variance may be adjusted to/from the proceeds allocated for other working capital requirements, depending on the respective funding requirements at the point of utilisation.

Balance Proceeds from PP2022 are placed as deposits with licensed financial institutions, and the interest income earned from such deposits will be used as additional working capital for the Group in the future. The working capital of the Group includes, among other things, the development and operational expenditures for its oil palm and durian plantation(s) and administrative overheads such as staff remuneration, training, utilities, and office expenses.

As of 30 June 2025, the balance of unutilised working capital stood at RM14.02 million.



ADDITIONAL COMPLIANCE INFORMATION cont'd

Material Contracts

There were no material contracts or contracts of the Company and its subsidiaries involving the interest of any directors, chief executive, or major shareholders for the financial year under review save for the following:

- (i) Tenancy agreement dated 3 April 2023 and Letter of Offer dated 20 May 2024 entered into between Matang Berhad and Huaren Resources Sdn. Bhd. ("Landlord") for the rent of the office space for the Company's head office at Unit 39.02 and Unit 39.03, Level 39, Menara Multi-Purpose, Capital Square, 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur. The Tenancy Agreement is for a period of three (3) years and two (2) years from the commencement date of 1 May 2023 and 1 May 2024 respectively, both expire on 30 April 2026.

The sum of rental paid to the for the aforesaid office space for FY2025 was RM180,000.

- (ii) Tenancy agreement dated 19 May 2025 entered into between Matang Agriculture and Plantation (Yong Peng) Sdn. Bhd. ("MAPYP") and with Malaysian Chinese Association Johor State Liaison Committee ("Landlord") for the rent of the office space for the Company's Estate office at #01-15, Block 4, Jalan Skudai, Batu 4 ½, Danga Bay, 80200 Johor Bahru, Johor. The Tenancy Agreement is for a period of three (3) years from the commencement date of 1 May 2025 and expires on 30 April 2028.

The sum of rental paid to the Landlord for the aforesaid office space for FY2025 was RM36,000.

The aforesaid tenancy arrangements (i) and (ii), are not regarded as related party transactions pursuant to Rule 10.08(11)(h) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

- (iii) Replanting Works for 77.2 ha Oil Palm Plantation of Matang Agriculture and Plantation (Segamat) Sdn. Bhd. ("MAPS") located at 101, 85200 K.B Jementah, Segamat, Johor and sales of diesel to CH Excavator Work Sdn. Bhd. for the usage for the said replanting work.

The work executed and certified on the replanting works and the sales of diesel for the usage for the said replanting work for FY2025 were RM429,140 and RM84,308 respectively.

- (iv) Rental of vehicles from a common director company, CH Excavator Work Sdn. Bhd.

The rental sum paid for the aforementioned vehicles for FY2025 was RM10,420.

- (v) Sales of Durian from MAPYP durian estate to Hua Kee Local Food Sdn. Bhd., a common director company

The income related to the aforesaid durian estate for FY2025 was RM40,895.

None of the contracts between the Company and persons in which the major shareholder has an interest relates to any loan of the Company and its subsidiaries.



ADDITIONAL COMPLIANCE INFORMATION cont'd

Audit and Non-Audit Fees – Finance to update

The following table shows the sum of audit and non-audit fees paid and payable to the Company's external auditors during the financial year under review.

	Group FY2025 Payable RM'000	FY2024 Paid RM'000	Company FY2025 Payable RM'000	FY2024 Paid RM'000
Audit fees	93.4	101.0	35.0	35.0
Non-statutory audit fees				
- Review of the Statement on Risk Management and Internal Control	5.3	5.0	5.3	5.0
Total	98.7	106.0	40.3	40.0
Non-audit fees				
- Tax return preparation	21.2	24.5	3.6	3.8

Corporate Social Responsibility

The Company did not carry out any specific program or activities in relation to corporate social responsibility but generally, the Company endorses actions and projects that would not have any detrimental implications to the environment and public at large. Certain activities that have social implications have been undertaken by the Group, and these have been set out and clarified in the Sustainability Statement set out on pages 49 to 75 of this Annual Report for reference.



STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of Directors is required by the Companies Act 2016 to prepare the financial statements in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of Matang group of companies ("Matang Group" or "Group") and Matang Berhad ("Matang" or "the Company") at the end of the financial year.

In preparing the financial statements of the Group and the Company for the financial year ended 30 June 2025, the Board has:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable;
- ensured that all applicable accounting standards have been complied with; and
- applied the going concern basis.

The Board of Directors is responsible for ensuring that the Group and the Company keep proper accounting records, which disclose with reasonable accuracy the financial position of the Group and of the Company, and which enable them to ensure that the financial statements comply with the provisions of the Companies Act 2016. The Directors are responsible for taking reasonable steps to safeguard the assets of the Company and to prevent and detect other irregularities.

This statement has been approved by the Board of Matang on 7 October 2025.



DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities.

The principal activities of the subsidiaries are primarily involved in investment holding, property investment holding, management of plantation estate, cultivation of oil palm and durian and sales of fresh fruit bunch and durian as disclosed in Note 8 to the financial statements.

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

RESULTS

	Group RM	Company RM
Profit for the financial year	5,963,613	1,952,390
Profit attributable to owners of the parent	5,963,613	1,952,390

DIVIDENDS

Dividends paid, declared or proposed since the end of the previous financial year were as follows:

	RM
In respect of the financial year ended 30 June 2024:	
Final and single tier dividend of 0.16 sen per share, paid on 8 January 2025	3,822,478

At the forthcoming Annual General Meeting, a first and final single tier dividend of 0.22 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 30 June 2026.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.



DIRECTORS' REPORT cont'd

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Matang Berhad

Dato' Foong Chee Meng
 Dato' Ng Keng Heng*
 Datuk Tew Boon Chin
 Sophia Lim Chia Hui
 Tan Tuan Peng*
 Tai Chee How* (Appointed on 16 July 2025)
 Datuk Teoh Sew Hock (Resigned on 19 November 2024)

* These Directors of the Company are also the Directors of certain subsidiaries of the Company.

Subsidiaries of Matang Berhad (excluding those who are listed above)

Datuk Lee Yin Chung
 Teoh Yap Kun

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 30 June 2025 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	[-----Number of ordinary shares-----]		
	Balance as at 1.7.2024	Bought	Sold
			Balance as at 30.6.2025
Shares in the Company			
<u>Direct interests:</u>			
Dato' Ng Keng Heng	9,000	-	-
			9,000

None of the other Directors holding office at the end of the financial year held any beneficial interest in the ordinary shares of the Company or options over ordinary shares and debentures of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the remuneration received by certain Directors as executives of the subsidiaries and those transactions entered into in the ordinary course of business with companies in which certain Directors of the Company and its subsidiaries have substantial interest.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.



DIRECTORS' REPORT cont'd

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and the Company for the financial year ended 30 June 2025 were as follows:

	Group 2025 RM	Company 2025 RM
Fees	285,699	165,699
Other emoluments	531,719	525,719
	817,418	691,418

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company has entered into an arrangement for a corporate liability insurance for the Directors and officers of the Group during the financial year, which provides appropriate insurance cover for the Directors and officers of the Group. The amount of insurance premium paid by the Company was RM15,007.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (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 have satisfied themselves that there are no known bad debts to be written off and that provision need not be made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would necessitate the writing off of bad debts or the making of provision for doubtful debts in the financial statements of the Group and of the Company;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (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.



DIRECTORS' REPORT cont'd

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY *cont'd*

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT *cont'd*

- (d) In the opinion of the Directors
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet its obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and the Company for the financial year ended 30 June 2025 were as follows:

	Group RM	Company RM
Statutory audit	93,400	35,000
Other audit related services	5,300	5,300
	98,700	40,300

Signed on behalf of the Board in accordance with a resolution of the Directors.

Dato' Ng Keng Heng
 Director

Kuala Lumpur
 7 October 2025

Tan Tuan Peng
 Director



STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements as set out on pages 89 to 124 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Dato' Ng Keng Heng
Director

Kuala Lumpur
7 October 2025

Tan Tuan Peng
Director

STATUTORY DECLARATION

I, Tan Theng Hwee (CA 15907), being the officer primarily responsible for the financial management of Matang Berhad, do solemnly and sincerely declare that the financial statements set out on pages 89 to 124 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.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
7 October 2025)

Tan Theng Hwee

Before me:
MARDHIYYAH ABDUL WAHAB (W 729)
COMMISSIONER OF OATHS



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MATANG BERHAD

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Matang Berhad, which comprise the statements of financial position as at 30 June 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 89 to 124.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

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.

a) Fair value of investment properties

As disclosed in Note 6 to the financial statements, the carrying amount of the investment properties ("IP") of the Group, which were stated at fair value amounted to RM10.7 million as at the end of the reporting period, were determined based on independent external valuation.

We determined this to be a key audit matter as the valuation process involved judgement in determining the appropriate valuation methodology to be used, and the underlying assumptions to be applied. The valuation was sensitive to the key assumptions applied.

Audit response

Our audit procedures included the following:

- (i) Considered the qualifications and competence of the external valuers and assessed the scope of work of the external valuers to determine whether the valuation was appropriate to be applied for financial reporting purposes;
- (ii) Read the external valuation reports and assessed the valuation methodology adopted by the external valuers for similar type of properties;



INDEPENDENT AUDITORS' REPORT *cont'd*

TO THE MEMBERS OF MATANG BERHAD

(Incorporated in Malaysia)

Key Audit Matters *cont'd*

a) Fair value of investment properties *cont'd*

Audit response *cont'd*

Our audit procedures included the following: *cont'd*

- (iii) Evaluated the key assumptions used in the valuation by comparing them against available industry data, taking into consideration of comparability and market factors; and
- (iv) Engaged external auditor's expert to review key assumptions applied by the external valuer, appointed by management.

b) Impairment assessment of the carrying amount of investment in a subsidiary

As at 30 June 2025, the carrying amount of investments in subsidiaries of the Company was RM208.5 million as disclosed in Note 8 to the financial statements. Management considered losses in a subsidiary with a carrying amount of cost of investment amounted to RM31.0 million as an impairment indication.

We determined this to be a key audit matter because it requires management to exercise significant judgement and estimates about the future results and key assumptions applied to cash flow projections of the subsidiary. In this instance, the recoverable amount is based on value-in-use. These key assumptions include forecast growth in future revenue and profit margins, as well as determining an appropriate pre-tax discount rate used for the subsidiary.

Audit response

Our audit procedures included the following:

- (i) Compared cash flow projections against recent performance to assess reliability of management forecasting process;
- (ii) Assessed the reasonableness of key assumptions, including gross margins, yield/production rates, average selling prices, growth rates, used in the projections against actual historical data and/or industry publications;
- (iii) Assessed verified pre-tax discount rate used by the management for the subsidiary by comparing to weighted average cost of capital of the Group and its relevant risk factors; and
- (iv) Performed sensitivity analysis of our own to stress test the key assumptions in the impairment model.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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



INDEPENDENT AUDITORS' REPORT cont'd

TO THE MEMBERS OF MATANG BERHAD

(Incorporated in Malaysia)

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company 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 ISAs 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 conducted in accordance with approved standards on auditing in Malaysia and ISAs, 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 internal control of the Group and of the Company.
- 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 ability of the Group and of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements 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 financial statements of the Group. 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.



INDEPENDENT AUDITORS' REPORT *cont'd*

TO THE MEMBERS OF MATANG BERHAD

(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements *cont'd*

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

Other Matters

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

BDO PLT

201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
7 October 2025

Chok Chau On

03683/08/2026
Chartered Accountant



STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	162,532,984	163,873,726	420,188	487,809
Right-of-use assets	5	543,176	744,176	517,825	685,023
Investment properties	6	10,700,000	10,799,868	-	-
Other investments	7	163,525	181,460	-	-
Investments in subsidiaries	8	-	-	208,533,223	208,533,223
Deferred tax assets	15	101,385	59,094	101,385	59,094
		174,041,070	175,658,324	209,572,621	209,765,149
Current assets					
Inventories	9	420,863	185,760	-	-
Biological assets	10	864,170	739,281	-	-
Trade and other receivables	11	1,638,217	1,637,860	1,292,529	1,387,231
Current tax assets		1,212,238	1,138,621	637,572	384,100
Cash, bank balances and short term funds	12	76,715,061	72,433,274	37,132,570	38,994,073
		80,850,549	76,134,796	39,062,671	40,765,404
TOTAL ASSETS		254,891,619	251,793,120	248,635,292	250,530,553
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	13	245,070,549	245,070,549	245,070,549	245,070,549
Reserves	14	3,248,484	1,125,284	1,569,352	3,439,440
TOTAL EQUITY		248,319,033	246,195,833	246,639,901	248,509,989
LIABILITIES					
Non-current liabilities					
Lease liabilities	5	372,463	559,327	372,463	532,917
Deferred tax liabilities	15	2,099,846	1,736,939	-	-
		2,472,309	2,296,266	372,463	532,917
Current liabilities					
Trade and other payables	16	3,691,969	3,106,019	1,462,474	1,325,871
Lease liabilities	5	186,864	195,002	160,454	161,776
Current tax liabilities		221,444	-	-	-
		4,100,277	3,301,021	1,622,928	1,487,647
TOTAL LIABILITIES		6,572,586	5,597,287	1,995,391	2,020,564
TOTAL EQUITY AND LIABILITIES		254,891,619	251,793,120	248,635,292	250,530,553

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



STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Revenue	17	21,578,461	16,878,872	3,740,382	5,866,597
Cost of sales		(6,168,002)	(6,215,228)	-	-
Gross profit		15,410,459	10,663,644	3,740,382	5,866,597
Other income		3,971,229	3,800,155	1,422,726	1,462,525
Administration expenses		(10,090,736)	(9,415,442)	(2,980,197)	(2,996,779)
Other expenses		(41,468)	(83,327)	(24,560)	(72,605)
Finance costs		(20,998)	(19,699)	(18,224)	(18,666)
Profit before tax	18	9,228,486	4,945,331	2,140,127	4,241,072
Tax expense	19	(3,264,873)	(1,735,766)	(187,737)	(378,900)
Profit for the financial year		5,963,613	3,209,565	1,952,390	3,862,172
Other comprehensive income, net of tax					
Item that will not be reclassified subsequently to profit or loss					
Fair value (loss)/gain on equity investments at fair value through other comprehensive income	7	(17,935)	6,330	-	-
Total other comprehensive (loss)/income, net of tax		(17,935)	6,330	-	-
Total comprehensive income		5,945,678	3,215,895	1,952,390	3,862,172
Profit attributable to owners of the parent		5,963,613	3,209,565	1,952,390	3,862,172
Total comprehensive income attributable to owners of the parent		5,945,678	3,215,895	1,952,390	3,862,172
Earnings per share attributable to ordinary equity holders of the Company (sen):					
- Basic	22	0.25	0.13		
- Diluted	22	0.25	0.13		

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



STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Group	Note	[-----Non-distributable-----]			Distributable	Total equity RM
		Share capital RM	Fair value reserve RM	Merger reserve RM	Retained earnings RM	
Balance as at 1 July 2023		245,070,549	50,555	(108,000,004)	109,681,367	246,802,467
Profit for the financial year		-	-	-	3,209,565	3,209,565
Other comprehensive income, net of tax		-	6,330	-	-	6,330
Total comprehensive income		-	6,330	-	3,209,565	3,215,895
Transactions with owners						
Dividend paid	23	-	-	-	(3,822,529)	(3,822,529)
Total transaction with owners		-	-	-	(3,822,529)	(3,822,529)
Balance as at 30 June 2024		245,070,549	56,885	(108,000,004)	109,068,403	246,195,833
Balance as at 1 July 2024		245,070,549	56,885	(108,000,004)	109,068,403	246,195,833
Profit for the financial year		-	-	-	5,963,613	5,963,613
Other comprehensive loss, net of tax		-	(17,935)	-	-	(17,935)
Total comprehensive income		-	(17,935)	-	5,963,613	5,945,678
Transactions with owners						
Dividend paid	23	-	-	-	(3,822,478)	(3,822,478)
Total transaction with owners		-	-	-	(3,822,478)	(3,822,478)
Balance as at 30 June 2025		245,070,549	38,950	(108,000,004)	111,209,538	248,319,033

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



STATEMENTS OF CHANGES IN EQUITY cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Company	Note	Non-distributable Share capital RM	Distributable Retained earnings RM	Total equity RM
Balance as at 1 July 2023		245,070,549	3,399,797	248,470,346
Profit for the financial year		-	3,862,172	3,862,172
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	3,862,172	3,862,172
Transaction with owners				
Dividend paid	23	-	(3,822,529)	(3,822,529)
Total transaction with owners		-	(3,822,529)	(3,822,529)
Balance as at 30 June 2024/1 July 2024		245,070,549	3,439,440	248,509,989
Profit for the financial year		-	1,952,390	1,952,390
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	1,952,390	1,952,390
Transaction with owners				
Dividend paid	23	-	(3,822,478)	(3,822,478)
Total transaction with owners		-	(3,822,478)	(3,822,478)
Balance as at 30 June 2025		245,070,549	1,569,352	246,639,901

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



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		9,228,486	4,945,331	2,140,127	4,241,072
Adjustments for:					
Depreciation of property, plant and equipment	4	4,527,532	3,309,569	87,707	65,185
Depreciation of right-of-use assets	5	201,000	141,453	167,198	133,003
Fair value adjustments of:					
- investment properties	6	99,868	750,000	-	-
- biological assets	10	(124,889)	(276,913)	-	-
- short term funds	18	(972,893)	(941,749)	(195,462)	(184,095)
Interest expense	5(c)	20,998	19,699	18,224	18,666
Interest income	18	(1,834,105)	(1,706,997)	(1,227,264)	(1,278,430)
Dividend income from a subsidiary	25(b)	-	-	(2,072,794)	(3,834,669)
Operating profit/(loss) before working capital changes		11,145,997	6,240,393	(1,082,264)	(839,268)
Changes in working capital:					
Inventories		(235,103)	(51,132)	-	-
Trade and other receivables		372,727	2,521,524	356,152	(812,411)
Trade and other payables		562,724	399,909	154,453	76,822
Cash generated from/(used in) operations		11,846,345	9,110,694	(571,659)	(1,574,857)
Tax paid		(2,819,570)	(1,771,340)	(483,500)	(710,991)
Tax refunded		23,140	745	-	745
Net cash from/(used in) operating activities		9,049,915	7,340,099	(1,055,159)	(2,285,103)
CASH FLOWS FROM INVESTING ACTIVITIES					
Advances from related parties		20,226	47,938	-	-
(Repayment to)/Advances from a subsidiary		-	-	(17,850)	15,827
Repayment from/(Advances to) a related party		15,000	(15,000)	15,000	(15,000)
(Placement)/Withdrawals of deposits with licensed banks more than three (3) months		(27,815,353)	(2,760,040)	(25,453,699)	255,625
Interest received		1,446,021	1,681,474	950,814	1,260,178
Distribution from short-term funds		972,893	941,749	195,462	184,095
Investment in a subsidiary		-	-	-	(27,599,685)
Dividend received from a subsidiary		-	-	2,072,794	3,834,669
Purchase of property, plant and equipment	4	(3,186,790)	(33,999,262)	(20,086)	(218,443)
Net cash used in investing activities		(28,548,003)	(34,103,141)	(22,257,565)	(22,282,734)



STATEMENTS OF CASH FLOWS cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	23	(3,822,478)	(3,822,529)	(3,822,478)	(3,822,529)
Payments of lease liabilities		(213,000)	(152,582)	(180,000)	(143,582)
Net cash used in financing activities		(4,035,478)	(3,975,111)	(4,002,478)	(3,966,111)
Net decrease in cash and cash equivalents		(23,533,566)	(30,738,153)	(27,315,202)	(28,533,948)
Cash and cash equivalents at beginning of financial year		63,805,156	94,543,309	38,994,073	67,528,021
Cash and cash equivalents at end of financial year		12 (j) 40,271,590	63,805,156	11,678,871	38,994,073

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Group RM	Company RM
Lease liabilities (Note 5)		
At 1 July 2023	737,543	737,543
Cash flows	(152,582)	(143,582)
Non-cash flows		
- Unwinding of interest	19,699	18,666
- Additions	149,669	82,066
At 30 June 2024/1 July 2024	754,329	694,693
Cash flows	(213,000)	(180,000)
Non-cash flows		
- Unwinding of interest	20,998	18,224
- Lease payable to a related party	(3,000)	-
At 30 June 2025	559,327	532,917

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



NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. On 17 January 2017, the ordinary shares of the Company were quoted and listed on the Ace Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal place of business of the Company is located at Unit 39.02, Level 39, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur.

The Company and its subsidiaries are referred to collectively as "the Group". The consolidated financial statements of the Group are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 7 October 2025.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding.

The principal activities of the subsidiaries are primarily involved in investment holding, property investment holding, management of plantation estate, cultivation of oil palm and durian and sales of fresh fruit bunch and durian as disclosed in Note 8 to the financial statements.

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

3. BASIS OF PREPARATION

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

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 27.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

4. PROPERTY, PLANT AND EQUIPMENT

Group 2025	Balance as at 1.7.2024 RM	Additions RM	Written off RM	Balance as at 30.6.2025 RM
Cost				
Freehold estate land	125,143,889	-	-	125,143,889
Bearer plants	61,080,541	2,522,204	(5,514,538)	58,088,207
Plant and equipment	3,681,995	649,086	-	4,331,081
Motor vehicles	3,179,103	15,500	-	3,194,603
	193,085,528	3,186,790	(5,514,538)	190,757,780

	Balance as at 1.7.2024 RM	Depreciation charges for the financial year RM	Written off RM	Balance as at 30.6.2025 RM
Accumulated depreciation				
Bearer plants	24,880,895	3,853,263	(5,514,538)	23,219,620
Plant and equipment	2,225,884	292,512	-	2,518,396
Motor vehicles	2,105,023	381,757	-	2,486,780
	29,211,802	4,527,532	(5,514,538)	28,224,796

Group 2024	Balance as at 1.7.2023 RM	Additions RM	Balance as at 30.6.2024 RM
Cost			
Freehold estate land	107,787,217	17,356,672	125,143,889
Bearer plants	45,748,154	15,332,387	61,080,541
Plant and equipment	3,049,694	632,301	3,681,995
Motor vehicles	2,501,201	677,902	3,179,103
	159,086,266	33,999,262	193,085,528

	Balance as at 1.7.2023 RM	Depreciation charges for the financial year RM	Balance as at 30.6.2024 RM
Accumulated depreciation			
Bearer plants	21,993,733	2,887,162	24,880,895
Plant and equipment	2,100,924	124,960	2,225,884
Motor vehicles	1,807,576	297,447	2,105,023
	25,902,233	3,309,569	29,211,802



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

4. PROPERTY, PLANT AND EQUIPMENT *cont'd*

Company 2025	Balance as at 1.7.2024 RM	Additions RM	Written off RM	Balance as at 30.6.2025 RM
Cost				
Plant and equipment	666,601	20,086	(252,278)	434,409
Motor vehicles	181,902	-	-	181,902
	848,503	20,086	(252,278)	616,311
	Balance as at 1.7.2024 RM	Depreciation charges for the financial year RM	Written off RM	Balance as at 30.6.2025 RM
Accumulated depreciation				
Plant and equipment	312,187	51,326	(252,278)	111,235
Motor vehicles	48,507	36,381	-	84,888
	360,694	87,707	(252,278)	196,123
Company 2024		Balance as at 1.7.2023 RM	Additions RM	Balance as at 30.6.2024 RM
Cost				
Plant and equipment		448,158	218,443	666,601
Motor vehicles		181,902	-	181,902
		630,060	218,443	848,503
		Balance as at 1.7.2023 RM	Depreciation charges for the financial year RM	Balance as at 30.6.2024 RM
Accumulated depreciation				
Plant and equipment		283,382	28,805	312,187
Motor vehicles		12,127	36,380	48,507
		295,509	65,185	360,694



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

4. PROPERTY, PLANT AND EQUIPMENT *cont'd*

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Carrying amount				
Freehold estate land	125,143,889	125,143,889	-	-
Bearer plants	34,868,587	36,199,646	-	-
Plant and equipment	1,812,685	1,456,111	323,174	354,414
Motor vehicles	707,823	1,074,080	97,014	133,395
	162,532,984	163,873,726	420,188	487,809

- (a) Property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.
- (b) Freehold estate land has unlimited useful life and is not depreciated.
- (c) Bearer plants include mature and immature plantations that are established or acquired by the Group. Bearer plants are depreciated when the plantation starts to be harvested. Oil palm bearer plants are depreciated over their useful life from year five (5) to year twenty five (25) while durian bearer plants are depreciated over their useful life from year six (6) to year fifty (50). No depreciation is provided on the immature oil palm bearer plants from year one (1) to year four (4) and immature durian bearer plants from year one (1) to year five (5).
- (d) Depreciation of other property, plant and equipment is calculated to write off the cost of the assets on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Plant and equipment	5% - 20%
Motor vehicles	20%

- (e) Analysis of bearer plants:

Bearer plants comprise of oil palm plantation and durian plantation.

At the end of the financial year, the Group's mature and immature plantations are as follows:

	Group	
	2025 RM	2024 RM
Carrying amount		
Oil palm plantation:		
- Mature	20,594,729	23,795,715
- Immature	952,748	-
	21,547,477	23,795,715
Durian:		
- Mature	4,565,958	5,218,238
- Immature	8,755,152	7,185,693
	13,321,110	12,403,931
	34,868,587	36,199,646



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

5. LEASES

The Group and the Company as lessee

Right-of-use assets

Group 2025	Balance as at 1.7.2024 RM	Depreciation RM	Balance as at 30.6.2025 RM
Carrying amount			
Premises	744,176	(201,000)	543,176

2024	Balance as at 1.7.2023 RM	Additions RM	Depreciation RM	Balance as at 30.6.2024 RM
Carrying amount				
Premises	735,960	149,669	(141,453)	744,176

Lease liabilities

Group 2025	Balance as at 1.7.2024 RM	Lease payments RM	Interest expense RM	Balance as at 30.6.2025 RM
Carrying amount				
Premises	754,329	(216,000)	20,998	559,327

2024	Balance as at 1.7.2023 RM	Additions RM	Lease payments RM	Interest expense RM	Balance as at 30.6.2024 RM
Carrying amount					
Premises	737,543	149,669	(152,582)	19,699	754,329

Right-of-use assets

Company 2025	Balance as at 1.7.2024 RM	Depreciation RM	Balance as at 30.6.2025 RM
Carrying amount			
Premises	685,023	(167,198)	517,825

2024	Balance as at 1.7.2023 RM	Additions RM	Depreciation RM	Balance as at 30.6.2024 RM
Carrying amount				
Premises	735,960	82,066	(133,003)	685,023



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

5. LEASES *cont'd*

The Group and the Company as lessee *cont'd*

Lease liabilities

Company 2025	Balance as at 1.7.2024 RM	Lease payments RM	Interest expense RM	Balance as at 30.6.2025 RM
Carrying amount				
Premises	694,693	(180,000)	18,224	532,917

2024	Balance as at 1.7.2023 RM	Additions RM	Lease payments RM	Interest expense RM	Balance as at 30.6.2024 RM
Carrying amount					
Premises	737,543	82,066	(143,582)	18,666	694,693

Represented by:	2025 RM	Group 2024 RM	2025 RM	Company 2024 RM
Current liabilities	186,864	195,002	160,454	161,776
Non-current liabilities	372,463	559,327	372,463	532,917
	559,327	754,329	532,917	694,693
Lease liabilities owing to a non-financial institution	559,327	754,329	532,917	694,693

- (a) The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use asset or the end of the lease term. The lease terms of right-of-use assets are as follows:

Premises 2 - 6 years

- (b) The Group and the Company have low value lease of office equipments of RM20,000 and below. The Group and the Company apply the "lease of low-value asset" exemptions for this lease.

- (c) The following are the amounts recognised in profit or loss:

	2025 RM	Group 2024 RM	2025 RM	Company 2024 RM
Depreciation charge of right-of-use asset (included in administration expenses)	201,000	141,453	167,198	133,003
Interest expense on lease liabilities (included in finance costs)	20,998	19,699	18,224	18,666
Expense relating to leases of low-value assets (included in administration expenses)	8,836	6,895	5,070	4,290
	230,834	168,047	190,492	155,959



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

5. LEASES *cont'd*

The Group and the Company as lessee *cont'd*

Lease liabilities *cont'd*

(d) The Group and the Company enters a lease contract that include extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

(e) The following are total cash outflows for leases as a lessee:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Included in net cash from/(used in) operating activities:				
Payments relating to:				
- leases of low-value assets	8,836	6,895	5,070	4,290
Included in net cash used in financing activities:				
Payment of lease liabilities	213,000	152,582	180,000	143,582
	221,836	159,477	185,070	147,872

(f) The following table sets out the carrying amounts, the weighted average incremental borrowing rates and the remaining maturities of the lease liabilities of the Group and of the Company that are exposed to interest rate risk:

Group	Weighted average incremental borrowing rate %	Within 1 year RM	Within 1-3 years RM	Within 3-5 years RM	Total RM
2025					
Lease liabilities					
Fixed rate	3.10	186,864	260,001	112,462	559,327
2024					
Lease liabilities					
Fixed rate	3.37	195,002	315,144	244,183	754,329



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

5. LEASES *cont'd*

The Group and the Company as lessee *cont'd*

Lease liabilities *cont'd*

- (f) The following table sets out the carrying amounts, the weighted average incremental borrowing rates and the remaining maturities of the lease liabilities of the Group and of the Company that are exposed to interest rate risk: *cont'd*

Company	Weighted average incremental borrowing rate %	Within 1 year RM	Within 1-3 years RM	Within 3-5 years RM	Total RM
2025					
Lease liabilities					
Fixed rate	2.92	160,454	260,001	112,462	532,917
2024					
Lease liabilities					
Fixed rate	3.09	161,776	288,734	244,183	694,693

- (g) Sensitivity analysis for lease liabilities as at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rates.
- (h) The table below summarises the maturity profile of the lease liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

Group 30 June 2025	On demand or within 1 year RM	Within 1-3 years RM	Within 3-5 years RM	Total RM
Lease liabilities	199,716	272,597	113,582	585,895
30 June 2024				
Lease liabilities	216,000	336,015	249,880	801,895
Company 30 June 2025	On demand or within 1 year RM	Within 1-3 years RM	Within 3-5 years RM	Total RM
Lease liabilities	172,716	272,597	113,582	558,895
30 June 2024				
Lease liabilities	180,000	309,015	249,880	738,895



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

5. LEASES *cont'd*

The Group as lessor

The Group has entered into non-cancellable lease agreements on certain properties for terms of between one (1) to six (6) years and renewable at the end of the lease period. The monthly rental consists of a fixed base rent.

The Group has aggregate future minimum lease receivable as at the end of each reporting period as follows:

	Group	
	2025 RM	2024 RM
Less than one (1) year	852,576	703,943
Within one (1) to two (2) years	523,833	236,469
Within two (2) to three (3) years	264,880	49,080
Within three (3) to four (4) years	96,980	34,500
Within four (4) to five (5) years	53,045	34,500
More than five (5) years	-	25,875
	1,791,314	1,084,367

6. INVESTMENT PROPERTIES

Group	Balance as at 1.7.2024 RM	Fair value adjustment RM	Balance as at 30.6.2025 RM
2025			
Lands and buildings	10,799,868	(99,868)	10,700,000

	Balance as at 1.7.2023 RM	Transferred from inventories (Note 9) RM	Fair value adjustment RM	Balance as at 30.6.2024 RM
2024				
Lands and buildings	10,450,000	1,099,868	(750,000)	10,799,868

- Investment properties principally comprise properties held for rental yields or capital appreciation or both and are not occupied by the Group.
- Investment properties are initially measured at cost, being the fair value of consideration paid, including related transactions costs and subsequently carried at fair value.
- In the previous financial year, a freehold vacant land amounting to RM1,099,868 was transferred from land held for property development to investment properties following a change in use by the Group.
- The following are recognised in profit or loss:

	Group	
	2025 RM	2024 RM
Fair value loss on investment properties	99,868	750,000
Direct expenses incurred to generate the rental income	998,822	736,036
Rental income generating	(1,022,011)	(849,613)



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

6. INVESTMENT PROPERTIES *cont'd*

(e) The fair value of investment properties of the Group are categorised as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2025				
Lands and buildings	-	-	10,700,000	10,700,000
2024				
Land and buildings	-	-	10,799,868	10,799,868

- (i) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 30 June 2025 and 30 June 2024.
- (ii) Lands and buildings at Level 3 fair value measurements are based primarily on valuation reports by professional valuers. In relying on the valuation reports, the Directors have exercised its judgement and is satisfied that the valuation methods and estimates reflect the current market conditions.

Fair value information

The valuation techniques and significant unobservable inputs used in determining Level 3 fair value measurement of investment properties as well as the relationship between its significant unobservable inputs and fair value, is detailed in the table below:

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
In arriving at the fair value, the land and the building of a property are valued separately. The values of the lands are derived based on comparison method where it analyses recent transactions and asking price of similar properties based on location, plot size, accessibility and other relevant factors. The values of the buildings are derived based on the summation of the replacement costs of the buildings. The replacement costs of buildings are determined based on current estimates of reconstruction cost less depreciation or replacement cost less depreciation, obsolescence and existing physical condition of the buildings.	- Land value ranging from RM20 to RM50 per sq. ft. (2024: RM20 per sq. ft. to RM25 per sq. ft.). - Main floor area cost ranging from RM100 per sq. ft. to RM160 per sq. ft. (2024: RM60 per sq. ft. to RM150 per sq. ft.). - Depreciation rates ranging from 75% to 85% (2024: 43% to 80%).	The estimated fair value would increase/(decrease) if: - Land value per square foot was higher/(lower). - Main floor area cost per square foot was higher/(lower). - Depreciation rates were lower/(higher).



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

7. OTHER INVESTMENTS

	Group	
	2025 RM	2024 RM
Fair value through other comprehensive income		
Quoted shares in Malaysia		
At beginning of financial year	181,460	175,130
Fair value change	(17,935)	6,330
At end of financial year	163,525	181,460

- (a) These quoted shares are not held for trading for which the Group has irrevocably elected at initial recognition to recognise at fair value through other comprehensive income ("FVOCI"). The Group considers this classification to be appropriate and relevant.
- (b) At the end of the year, if the market price had been five percent (5%) higher or lower, higher or lower fair value gains on financial assets will be recognised directly in other comprehensive income and the fair value of equity instruments classified as FVOCI will be higher or lower with all other variables held constant. The following table demonstrates the sensitivity of the FVOCI reserve of the Group:

	Group	
	2025 RM	2024 RM
Fair value reserve		
- increase by 5% (2024: 5%)	8,176	9,073
- decrease by 5% (2024: 5%)	(8,176)	(9,073)

- (c) Quoted shares of the Group are categorised as Level 1 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025 RM	2024 RM
At cost		
Unquoted shares		
As at 30 June	208,533,223	208,533,223

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

All components of non-controlling interests shall be measured at their acquisition date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

8. INVESTMENTS IN SUBSIDIARIES cont'd

- (b) The Company and/or its subsidiaries assessed whether there are any indications of impairment of investments in subsidiaries during the financial year. In doing this, management considered the current environment and performance of the subsidiaries. Management considered losses in a subsidiary with a carrying amount of cost of investment amounted to RM30,983,588 as an impairment indication.

The recoverable amount of the subsidiary is determined based on value-in-use calculation using cash flow projections derived from financial budgets approved the Board. Value-in-use is the net present value of the projected future cash flows, which involve judgements in estimating the key assumptions, including growth in future revenue and profit margins as well as determining an appropriate pre-tax discount rate used for the subsidiary. Impairment losses are made when the carrying amount of the investments in subsidiaries exceed its recoverable amount.

- (c) The details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Interest in equity held by				Principal activities
		Company		Subsidiary		
		2025	2024	2025	2024	
		%	%	%	%	
*Matang Holdings Berhad (“MHB”)	Malaysia	100	100	-	-	Engaged in investment holding.
*Matang Agriculture and Plantation (Yong Peng) Sdn. Bhd. (“MAPYP”)	Malaysia	100	100	-	-	Engaged in cultivation of oil palm and durian, sales of fresh fruit bunch and durian.
Subsidiary of Matang Holdings Berhad						
*Matang Agriculture and Plantation (Segamat) Sdn. Bhd. (“MAPS”)	Malaysia	-	-	100	100	Engaged in property investment holding, management of plantation estate, cultivation of oil palm and durian, sales of fresh fruit bunch and durian.

* Audited by BDO PLT, Malaysia.

- (d) On 25 July 2023, the Company has completed the acquisition of MAPYP.

The transaction is recognised as an asset acquisition instead of business combination as substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable assets, namely freehold estate land and bearer plants.

For allocating the transaction price for this acquisition, any identifiable asset or liability initially measured at an amount other than cost, the Group initially measures that asset or liability at the amount specified in the applicable MFRSs and IFRS Accounting Standards. The Group deducts from the transaction price the amounts allocated to the assets and liabilities initially measured at an amount other than cost. The residual transaction price is then allocated to the remaining identifiable assets and liabilities based on their relative fair values at the date of the acquisition.



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

9. INVENTORIES

		Group	
Non-current	Note	2025 RM	2024 RM
<u>Land held for property development</u>			
Balance as at 1 July 2024/1 July 2023		-	1,099,868
Transferred to investment properties	6	-	(1,099,868)
Balance as at 30 June 2025/30 June 2024		-	-
Current			
At cost			
Estate consumables		184,200	185,760
Nursery		236,663	-
		420,863	185,760

Inventories are stated at the lower of cost and net realisable value.

(a) Land held for property development

Land held for property development consists of purchase price of land, professional fees, stamp duties, commissions, conversion fees, other relevant levies and direct development cost incurred in preparing the land for development.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale.

Land held for property development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current asset.

Land held for property development is transferred to property development costs under current assets when development activities have commenced and where development activities can be completed within the Group's and the Company's normal operating cycle.

In the previous financial year, the Group transferred the land held for property development to investment properties following a change in use by the Group.

(b) Inventories

Costs of estate consumables and nursery are determined using the first-in, first out formula. The cost of estate consumables comprises all costs of purchase plus the cost of bringing the inventories to their present location and condition. The cost of nursery includes the cost of raw materials, direct labour and a proportion of production overheads.

During the financial year, inventories of the Group recognised as cost of sales amounted to RM2,128,814 (2024: RM1,740,867).



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

10. BIOLOGICAL ASSETS

At fair value	Group	
	2025 RM	2024 RM
Balance as at 1 July 2024/2023	739,281	462,368
Fair value gain	124,889	276,913
Balance as at 30 June 2025/2024	864,170	739,281

- (a) The biological assets of the Group comprise of fresh fruit bunches ("FFB") and durians prior to harvest.

The valuation model for agriculture produce adopted by the Group considers the cash flows expected to be generated from the agricultural produce. To arrive at the fair value of FFB, the management has considered the oil content of the unripe FFB and assumes that the cash flows to be generated from FFB to be harvested beyond 15 days is negligible, therefore only the expected sales from the quantity of unripe FFB on bearer plant of up to 15 days prior to harvest was used for valuation purpose.

To arrive at the fair value of durians, the management has made the assumption that the net cash flows to be generated from durian is based on its estimated 7 days ripening period and therefore the quantity of unripe durians on bearer plants of up to 7 days prior to harvest was used for valuation purposes.

- (b) The fair value measurement of the biological assets was categorised within Level 3 of the fair value hierarchy.
- (c) The fair values of biological assets are categorised as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2025				
Biological assets	-	-	864,170	864,170
2024				
Biological assets	-	-	739,281	739,281

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 30 June 2025 and 30 June 2024.



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade receivables				
Third parties	722,906	933,935	-	-
Amounts owing by subsidiaries	-	-	804,856	1,107,474
Amount owing by a related party	-	11,855	-	-
	722,906	945,790	804,856	1,107,474
Other receivables and deposits				
Other receivables	634,826	213,661	366,912	91,439
Amount owing by a related party	-	15,000	-	15,000
Deposits	203,288	203,752	75,481	93,580
	838,114	432,413	442,393	200,019
Total receivables, net of prepayments	1,561,020	1,378,203	1,247,249	1,307,493
Prepayments	77,197	259,657	45,280	79,738
	1,638,217	1,637,860	1,292,529	1,387,231

- (a) Total receivables (excluding prepayments) are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group was 14 - 30 days (2024: 14 - 30 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (c) Amounts owing by subsidiaries and amount owing by a related party are unsecured, interest free and repayable in cash and cash equivalents within next twelve (12) months.
- (d) All trade and other receivables are denominated in Ringgit Malaysia ('RM').
- (e) Impairment for trade receivables are recognised based on the simplified approach using the lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk. Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses. The Group considers credit loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying amount of the asset would be written off against the associated impairment.

Individual assessment of impairment of trade receivables are separately assessed when it is probable that cash due will not be received in full.

It requires management to exercise judgement in determining the probability of default by trade receivables and appropriate forward-looking information. No expected credit loss is recognised from trade receivables as it is negligible.



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

11. TRADE AND OTHER RECEIVABLES *cont'd*

- (f) Impairment for other receivables, amount owing by a related party and deposits are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, the Group assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the end of the reporting period. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The Group and the Company defined significant increase in credit risk based on changes to contractual terms, payment delays and past due information.

A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- (i) Significant financial difficulties of the debtor;
- (ii) A breach of contract such as a default or being more than 90 days past due; or
- (iii) It is probable that the debtor will enter bankruptcy or other financial reorganisation.

It requires management to exercise its judgement in determining the probabilities of default by other receivables, appropriate forward-looking information (gross domestic product ("GDP")), inflation rate and crude palm oil ("CPO") price and significant increase in credit risk.

- (g) The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

Group	Gross carrying amount RM	Loss allowance RM	Net balance RM
2025			
Current	722,906	-	722,906
2024			
Current	945,790	-	945,790



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

11. TRADE AND OTHER RECEIVABLES cont'd

- (g) The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the reporting period which are grouped together as they are expected to have similar risk nature. cont'd

Company	Gross carrying amount RM	Loss allowance RM	Net balance RM
2025			
Current	804,856	-	804,856
2024			
Current	1,107,474	-	1,107,474

As at the end of each reporting period, the credit risks exposures and concentration relating to trade receivables of the Group and of the Company are summarised in the table below:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Maximum exposure	722,906	945,790	804,856	1,107,474
Collateral obtained	-	-	-	-
	722,906	945,790	804,856	1,107,474

During the financial year, the Group and the Company did not renegotiate the terms of any trade receivables.

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	3,001,583	2,134,402	675,066	738,318
Deposits with licensed banks	48,169,929	45,728,216	31,414,355	33,408,068
Short term funds	25,543,549	24,570,656	5,043,149	4,847,687
	76,715,061	72,433,274	37,132,570	38,994,073

- (a) Cash and bank balances and deposits with licensed banks are classified as financial assets measured at amortised cost.
- (b) Deposits with licensed banks of the Group and the Company have a range of maturity period of 1 month to 1 year (2024: 1 month to 1 year); with weighted average effective interest rate of 3.78% (2024: 3.68%) and 3.80% (2024: 3.69%) per annum respectively.
- (c) All cash, bank balances and short term funds are denominated in Ringgit Malaysia ('RM').



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

12. CASH AND CASH EQUIVALENTS *cont'd*

- (d) Sensitivity analysis of interest rate at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit after tax				
- if interest rate increases by 1% (2024: 1%)	621,527	593,241	289,181	302,378
- if interest rate decreases by 1% (2024: 1%)	(621,527)	(593,241)	(289,181)	(302,378)

- (e) Short term funds aim to invest in highly liquid instruments which are investing its assets in Ringgit Malaysia deposits with financial institutions in Malaysia and are redeemable with one (1) day notice. These funds are subject to an insignificant risk of changes in value and form part of net cash and cash equivalents.
- (f) Short term funds of the Group and the Company are classified as financial assets at fair value through profit or loss and are categorised as Level 1 in the fair value hierarchy. Fair value of short term funds are determined by reference to the quoted prices at the close of business at the end of each reporting period.
- (g) Sensitivity analysis for market price risk

Short term funds of the Group and the Company are exposed to changes in market quoted prices. However, the volatility of these funds' prices is considered low, and hence, sensitivity analysis for equity price risk is not presented.

- (h) There is no transfer between levels in the fair value hierarchy during the financial year.
- (i) No expected credit losses were recognised arising from cash at banks and deposits with financial institutions because the probability of default by these financial institutions were negligible.
- (j) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash, bank balances and short term funds	76,715,061	72,433,274	37,132,570	38,994,073
Less:				
Deposits placed with licensed banks more than three (3) months	(36,443,471)	(8,628,118)	(25,453,699)	-
	40,271,590	63,805,156	11,678,871	38,994,073



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

13. SHARE CAPITAL

	Number of shares	Group and Company		2024
		2025	2024	
		RM	Number of shares	RM
Issued and fully paid with no par value:				
At beginning of financial year/At end of financial year	2,389,200,276	245,070,549	2,389,200,276	245,070,549

The owners of the Company are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meeting of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

14. RESERVES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-distributable:				
Fair value reserve	38,950	56,885	-	-
Merger reserve	(108,000,004)	(108,000,004)	-	-
	(107,961,054)	(107,943,119)	-	-
Distributable:				
Retained earnings	111,209,538	109,068,403	1,569,352	3,439,440
	3,248,484	1,125,284	1,569,352	3,439,440

(a) Fair value reserve

Fair value reserve represents the cumulative fair value changes of financial assets at fair value through other comprehensive income until they are disposed or impaired.

(b) Merger reserve

The merger reserve arose from the pooling of interest method of accounting used on consolidation of MHB Group. The merger reserve represents the difference between the amount recorded as the cost of investment, which comprised the share capital issued by the Company and the nominal value of share capital of the subsidiary, MHB.

	RM
Cost of investment	168,000,006
Less: Nominal value of shares in Matang Holdings Berhad ("MHB")	(60,000,002)
Merger reserve	108,000,004



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

15. DEFERRED TAX ASSETS/(LIABILITIES)

(a) The deferred tax assets and liabilities are made up of the following:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Balance as at 1 July 2024/ 1 July 2023	(1,677,845)	(1,529,777)	59,094	151,003
Recognised in profit or loss (Note 19)				
- current year	(307,504)	(111,140)	46,981	25,266
- prior years	(13,112)	(36,928)	(4,690)	(117,175)
	(320,616)	(148,068)	42,291	(91,909)
Balance as at 30 June 2025/ 30 June 2024	(1,998,461)	(1,677,845)	101,385	59,094
Presented after appropriate offsetting:				
Deferred tax assets, net	101,385	59,094	101,385	59,094
Deferred tax liabilities, net	(2,099,846)	(1,736,939)	-	-
	(1,998,461)	(1,677,845)	101,385	59,094

(b) The components and movements of deferred tax assets and liabilities during the financial year are as follows:

Deferred tax liabilities of the Group

Deferred tax liabilities	Property, plant and equipment RM	Other temporary differences RM	Total RM
At 1 July 2023	(1,741,806)	61,026	(1,680,780)
Recognised in profit or loss	(85,003)	28,844	(56,159)
At 30 June 2024/ 1 July 2024	(1,826,809)	89,870	(1,736,939)
Recognised in profit or loss	(331,633)	(31,274)	(362,907)
At 30 June 2025	(2,158,442)	58,596	(2,099,846)



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

15. DEFERRED TAX ASSETS/(LIABILITIES) cont'd

- (b) The components and movements of deferred tax assets and liabilities during the financial year are as follows: cont'd

Deferred tax assets of the Group and Company

	Property, plant and equipment RM	Other temporary differences RM	Total RM
At 1 July 2023	(16,556)	167,559	151,003
Recognised in profit or loss	(8,818)	(83,091)	(91,909)
At 30 June 2024/ 1 July 2024	(25,374)	84,468	59,094
Recognised in profit or loss	3,902	38,389	42,291
At 30 June 2025	(21,472)	122,857	101,385

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade payables				
Third parties	193,018	248,267	-	-
Other payables				
Other payables	218,503	138,325	50,682	105,624
Accruals	2,942,449	2,425,724	1,411,792	1,202,397
Amount owing to a subsidiary	-	-	-	17,850
Amounts owing to related parties	71,164	47,938	-	-
Deposits received	266,835	245,765	-	-
	3,498,951	2,857,752	1,462,474	1,325,871
	3,691,969	3,106,019	1,462,474	1,325,871

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company ranges from 30 to 90 days (2024: 30 to 90 days).
- (c) All trade and other payables are denominated in Ringgit Malaysia ('RM').
- (d) Amounts owing to a subsidiary and related parties represent advances and payments made on behalf, which are unsecured, interest free and repayable within the next twelve months.
- (e) Maturity profile of the trade and other payables of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one year.
- (f) Included in accruals of the Group and of the Company amounting to RM327,283 representing other payable to the vendor for the acquisition of MAPYP in the previous financial year.



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

17. REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from contracts with customers				
- Sale of palm products	20,498,560	16,437,918	-	-
- Sale of durians	1,079,901	440,954	-	-
Other revenue:				
- Dividend income	-	-	2,072,794	3,834,669
- Management service and support charges	-	-	1,667,588	2,031,928
	21,578,461	16,878,872	3,740,382	5,866,597

- (a) Revenue from the sale of palm and durian products are recognised at a point in time when the products have been transferred to the customer and coincide with the delivery of products and acceptance by customers.

There is no significant financing component in the revenue arising from the sale of palm and durian products as the sales are made on the normal credit terms not exceeding twelve months.

- (b) Dividend income

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

- (c) Management service and support charges

Management service and support charges are recognised when the right to receive payment is established.

18. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, the profit before tax is arrived at:

		Group		Company	
Note		2025 RM	2024 RM	2025 RM	2024 RM
After charging:					
Auditors' remuneration					
- statutory audit		93,400	101,000	35,000	35,000
- other audit related services		5,300	5,000	5,300	5,000
Rental of photocopiers		8,836	6,895	5,070	4,290
And crediting:					
Interest income	(a)	1,834,105	1,706,997	1,227,264	1,278,430
Fair value gain from short term funds		972,893	941,749	195,462	184,095
Rental income	(b)	1,022,711	850,523	-	-

- (a) Interest income

Interest income is recognised as it accrues, using the effective interest method.

- (b) Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease.



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

19. TAX EXPENSE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Income tax				
- current year	2,733,122	1,619,185	234,050	298,500
- under/(over) provision in prior years	211,135	(31,487)	(4,022)	(11,509)
	2,944,257	1,587,698	230,028	286,991
Deferred tax (Note 15)				
- relating to origination and reversal of temporary differences	307,504	111,140	(46,981)	(25,266)
- under provision in prior years	13,112	36,928	4,690	117,175
	320,616	148,068	(42,291)	91,909
	3,264,873	1,735,766	187,737	378,900

- (a) The Malaysian income tax is calculated at the statutory tax rate of twenty-four percent (24%) (2024: 24%) of the estimated taxable profits for the fiscal years.
- (b) The numerical reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rate of the Group and of the Company is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax	9,228,486	4,945,331	2,140,127	4,241,072
Tax expense at applicable tax of 24% (2024: 24%)	2,214,837	1,186,879	513,630	1,017,857
Non-allowable expenses	1,062,519	914,947	224,046	219,880
Allowable expenses capitalised in bearer plants	(23,507)	(364,341)	-	-
Allowable expenses not included in profit or loss	(32,610)	-	-	-
Non-taxable income	(280,839)	(77,475)	(550,607)	(964,503)
Deferred tax assets not recognised	100,226	70,315	-	-
	3,040,626	1,730,325	187,069	273,234
Under/(Over) provision in prior years				
- income tax	211,135	(31,487)	(4,022)	(11,509)
- deferred tax	13,112	36,928	4,690	117,175
	3,264,873	1,735,766	187,737	378,900



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

19. TAX EXPENSE *cont'd*

- (c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statement of financial position are as follows:

	2025 RM	Group 2024 RM
Unutilised tax losses		
- Expires by 30 June 2035	13,797	-
- Expires by 30 June 2034	-	355,720
Other temporary difference	760,013	483
	773,810	356,203

Deferred tax assets of a subsidiary have not been recognised in respect of these items as it is not probable that taxable profits of this subsidiary would be available against which the deductible temporary differences could be utilised.

The availability of unutilised tax losses for offsetting against future taxable profits is subject to guidelines issued by tax authority. Unutilised tax losses of the subsidiary can be carried forward up to 10 consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board.

- (d) Tax on each component of other comprehensive income is as follows:

2025	Before tax RM	Group Tax effect RM	After tax RM
Item that will not be reclassified subsequently to profit or loss			
Fair value loss on equity investments at fair value through other comprehensive income	(17,935)	-	(17,935)
2024			
Item that will not be reclassified subsequently to profit or loss			
Fair value gain on equity investments at fair value through other comprehensive income	6,330	-	6,330

20. CAPITAL COMMITMENTS

	2025 RM	Group 2024 RM
Authorised capital expenditure not provided for in the financial statements		
- contracted	174,139	706,877
Analysed as follows:		
- Property, plant and equipment	174,139	706,877



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

21. EMPLOYEE BENEFITS

The total employee benefits recognised in profit or loss are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries, allowances and overtime	2,501,664	2,692,974	1,631,844	1,613,757
Contributions to defined contribution plan	338,437	399,140	196,369	207,888
Other employee benefits	714,137	594,010	95,224	58,002
	3,554,238	3,686,124	1,923,437	1,879,647

Included in employee benefits expense of the Group and the Company are Directors' remuneration amounting to RM817,418 (2024: RM879,134) and RM691,418 (2024: RM637,301) respectively, as further disclosed in Note 25(c) to the financial statements.

22. EARNINGS PER SHARE ("EPS")

- (a) Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to ordinary equity holders of the Company by the number of ordinary shares in issue during the financial year.

	2025	Group 2024
Profit attributable to owners of the parent (RM)	5,963,613	3,209,565
Weighted average number of ordinary shares in issue (unit)	2,389,200,276	2,389,200,276
Basic EPS (sen)	0.25	0.13

- (b) Diluted EPS of the Group for the financial years ended 30 June 2025 and 30 June 2024 is equivalent to the basic EPS as there are no potential ordinary shares outstanding as at the end of each reporting period.

23. DIVIDENDS

	Group and Company			
	Gross dividend per share sen	2025 Amount of dividend net of tax RM	Gross dividend per share sen	2024 Amount of dividend net of tax RM
In respect of financial year ended 30 June 2024				
- Final single tier cash dividend	0.16	3,822,478	-	-
In respect of financial year ended 30 June 2023				
- Final single tier cash dividend	-	-	0.16	3,822,529
	0.16	3,822,478	0.16	3,822,529



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

23. DIVIDENDS *cont'd*

As approved by shareholders at an Annual General Meeting held on 22 November 2023, a first and final single tier dividend of 0.16 sen per share, amounting to RM3,822,529 in respect of financial year ended 30 June 2023 was paid on 8 January 2024.

As approved by shareholders at an Annual General Meeting held on 19 November 2024, a first and final single tier dividend of 0.16 sen per share, amounting to RM3,822,478 in respect of financial year ended 30 June 2024 was paid on 8 January 2025.

At the forthcoming Annual General Meeting, a first and final single tier dividend of 0.22 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 30 June 2026.

24. SEGMENT REPORTING

The Group is predominantly involved in management of plantation estate, cultivation of oil palm and durian and sale of fresh fruit bunch and durian which is the only reportable segment. Other non-reportable segment is investment holding and investment property. These segments do not meet the quantitative threshold for reporting segments in 2025 and 2024. All the Group's operations are carried out in Malaysia.

The Group evaluates performance on the basis of profit or loss from operations before tax.

25. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has controlling related party relationship with its direct and indirect subsidiaries.

The Group also has related party relationship with the following parties:

Related parties	Relationship
Huaren Resources Sdn. Bhd. ("Huaren")	Related party
Hua Kee Local Food Sdn. Bhd. ("Hua Kee")	Related party
Malaysian Chinese Association Johor State Liaison Committee . ("MCA Johor")	Related party
CH Excavator Work Sdn Bhd ("CH Excavator")	Related party



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

25. RELATED PARTY DISCLOSURES *cont'd*

(b) Significant related party transactions and balances

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Related parties:</u>				
Rental of office charged by Huaren	180,000	143,582	180,000	143,582
Rental of office charged by MCA Johor	36,000	9,000	-	-
Sundry expenses charged by Hua Kee	-	20,352	-	20,352
Sale of durian to Hua Kee	(40,895)	(102,476)	-	-
Cost of sales for durian charged by Hua Kee	-	117,378	-	-
Vehicle rental expenses charged by CH Excavator	10,420	75,525	-	-
Replanting works charged by CH Excavator	344,832	-	-	-
<u>Subsidiaries:</u>				
Dividend income	-	-	(2,072,794)	(3,834,669)
Management services and support income	-	-	(1,667,588)	(2,031,928)

The related party transactions described above were carried out in the ordinary course of business and established under negotiated and mutually agreed terms.

(c) Compensation of key management personnel

Key management personnel are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

Key management personnel comprise all the Directors of the Group.

The remuneration of the Directors during the financial year are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fees	285,699	263,667	165,699	191,667
Other emoluments	531,719	615,467	525,719	445,634
Total key management compensation	817,418	879,134	691,418	657,301



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

26. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the Group's capital management is to ensure that entities of the Group would be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged from financial year ended 30 June 2024.

The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2025 and 30 June 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt represents lease liabilities, trade and other payables, less cash and bank balances and short-term funds. Total capital represents equity attributable to the owners of the parent.

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Lease liabilities	559,327	754,329	532,917	694,693
Trade and other payables	3,691,969	3,106,019	1,462,474	1,325,871
Total liabilities	4,251,296	3,860,348	1,995,391	2,020,564
Less: Cash and bank balances and short term funds (Note 12)	(76,715,061)	(72,433,274)	(37,132,570)	(38,994,073)
Net cash	(72,463,765)	(68,572,926)	(35,137,179)	(36,973,509)
Total capital	248,319,033	246,195,833	246,639,901	248,509,989
Gearing ratio	-*	-*	-*	-*

* The gearing ratios for the Group and for the Company are not presented as the Group and the Company are in net cash position

Pursuant to the requirements of Guidance Note No. 3/2006 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five percent (25%) of the issued and paid-up capital. The Group has complied with this requirement for the financial year ended 30 June 2025.

The Group is not subject to any externally imposed capital requirements.

(b) Financial risk management

The Group's financial risk management objective is to optimise value creation for its shareholders whilst minimising the potential adverse impact arising from fluctuations in interest rates. It is, and has been throughout the period under review, the Group's policy that no trading and speculation in derivative financial instruments shall be undertaken.

The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk, market risk as well as price fluctuation risk.



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

26. CAPITAL AND FINANCIAL RISK MANAGEMENT *cont'd*

(b) Financial risk management *cont'd*

Information on the management of the related exposures is detailed below:

(i) Credit risk

Cash deposits and trade receivables may give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group seeks to control credit risk by setting counterparty credit limits and ensuring that sales of products are made to customers with appropriate credit history. Trade receivables are monitored by management on an ongoing basis.

The Group's primary exposure to credit risk arises through its trade receivables.

The credit risk profile analysis has been disclosed in Note 11 to the financial statements.

(ii) Liquidity and cash flow risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations when due. The Group actively manages its operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and bank balances deemed adequate to finance the Group's activities.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 5 and 16 to the financial statements respectively.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposures to market risk of changes in interest rates relate primarily to the Group's interest-earning deposits and lease liabilities. There is no formal hedging policy with respect to interest rate exposure.

The interest rate profile and sensitivity analysis for interest rate risk have been disclosed in Notes 5 and 12 to the financial statements.

(iv) Market risk

Market risk is the risk that the fair value of future cash flows of the financial instruments of the Group would fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risks arising from quoted investments held by the Group. Quoted equity instruments in Malaysia are listed on the Bursa Malaysia Securities Berhad and are held for strategic rather than trading purposes. These instruments are classified as financial assets designated at fair value through other comprehensive income.

The Group diversifies its portfolio in accordance with the limits set by the Board of Directors to manage its price risk arising from investments in equity securities.

There has been no change to the exposure of the Group to market risks or the manner in which these risks are managed and measured.

The sensitivity analysis of market rate risk has been disclosed in Note 7 and 12 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS cont'd

AS AT 30 JUNE 2025

26. CAPITAL AND FINANCIAL RISK MANAGEMENT *cont'd*

(b) Financial risk management *cont'd*

Information on the management of the related exposures is detailed below: *cont'd*

(v) Price fluctuation risk

Sensitivity analysis for price fluctuation risk

The Group's exposure to price volatility was mainly derived from palm products. If the price of palm and durian products change by 10%, profit for the Group would have equally increased or decreased by approximately RM1,710,758 (2024: RM1,310,080).

27. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

27.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Amendments of MFRSs of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024

Adoption of the above Amendments to MFRSs did not have any material effect on the financial performance or position of the Group and of the Company.

27.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2025

The following are Standards and Amendments of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and of the Company:

Title	Effective Date
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
<i>Annual Improvements to MFRS Accounting Standards - Volume 11</i>	1 January 2026
Amendments to MFRS 9, Financial Instruments and MFRS 7 Financial Instruments: <i>Disclosures - Contracts Referencing Nature - dependent Electricity</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable in future financial years.



ANALYSIS OF SHAREHOLDINGS

AS OF 11 SEPTEMBER 2025

SHARE CAPITAL

Total Number of Issued Shares	:	2,389,200,276
Total Issued Share Capital	:	RM245,070,549
Class of shares	:	Ordinary shares
Voting rights	:	1 vote for each ordinary share held on a poll
Number of shareholders	:	11,798

DISTRIBUTION OF SHAREHOLDINGS AT 11 SEPTEMBER 2025

(as per the Record of Depositors)

Size of holdings	No. of holders	% of holders	No. of shares held	% of Issued shares
Less than 100	47	0.40	1,203	*
100 to 1,000	288	2.44	122,471	*
1,001 to 10,000	648	5.49	4,681,978	0.20
10,001 to 100,000	8,070	68.40	338,631,559	14.17
100,001 to less than 5% of issued shares	2,743	23.25	1,231,258,337	51.53
5% and above of issued shares	2	0.02	814,504,728	34.10
Total	11,798	100.00	2,389,200,276	100.00

Notes:

* Less than 0.01%

SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS AS OF 11 SEPTEMBER 2025

(as per the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct interest		Indirect interest	
	No. of shares held	% of issued shares	No. of shares held	% of issued shares
Huaren Holdings Sdn Bhd	605,944,428	25.36	-	-
Ang Kian You	208,560,300	8.73	-	-
Malaysian Chinese Association	-	-	628,762,528	26.32 [^]

Note:

[^] Deemed interest by virtue of its shareholdings in Huaren Holdings Sdn Bhd and Rohua Sdn Bhd pursuant to Section 8 of the Companies Act 2016

SHAREHOLDINGS OF DIRECTORS AS AT 11 SEPTEMBER 2025

(as per the Register of Directors' Shareholdings)

Name of Directors	Direct interest		Indirect interest	
	No. of shares held	% of issued shares	No. of shares held	% of issued shares
Dato' Foong Chee Meng	-	-	-	-
Dato' Ng Keng Heng	9,000	*	-	-
Tan Tuan Peng	-	-	-	-
Tai Chee How	-	-	-	-
Sophia Lim Chia Hui	-	-	-	-
Datuk Tew Boon Chin	-	-	-	-

Note:

* Less than 0.01%



ANALYSIS OF SHAREHOLDINGS cont'd

AS AT 11 SEPTEMBER 2025

LIST OF TOP 30 LARGEST SECURITIES ACCOUNT HOLDERS

(as per the Record of Depositors as of 11 September 2025 without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of shares	% of Shares
1	Huaren Holdings Sdn Bhd	605,944,428	25.36
2	Ang Kian You	208,560,300	8.73
3	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Kuan Peng Ching @ Kuan Peng Soon (7000855)</i>	87,023,300	3.64
4	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lim Han Weng</i>	70,000,000	2.93
5	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Ong Yoong Nyock (PB)</i>	55,940,005	2.34
6	Kong Tiam Ming	44,970,003	1.88
7	Koperasi Jayadiri Malaysia Berhad	23,892,000	1.00
8	Able Perfect Sdn Bhd	20,994,903	0.88
9	Rohua Sdn Bhd	19,768,000	0.83
10	Koon Poh Tat	18,100,000	0.76
11	Loke Soon Fei	18,100,000	0.76
12	RHB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Wong Sak Kuan</i>	17,889,000	0.75
13	Lim Han Weng	15,940,005	0.67
14	Ng Kang Wee	14,480,002	0.61
15	Ho Koon Loong	14,480,001	0.61
16	Toh Kie Ho	14,480,001	0.61
17	CGS International Nominees Malaysia (Asing) Sdn Bhd <i>Exempt an for CGS International Securities Singapore Pte. Ltd. (Retail Clients)</i>	11,948,500	0.50
18	Hon Yong Lian	11,000,000	0.46
19	CIMSEC Nominee (Tempatan) Sdn Bhd <i>CIMB for Unique Bay Sdn Bhd (PB)</i>	10,900,000	0.46
20	Mercsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Siow Wong Yen @ Siow Kwang Hwa</i>	10,320,000	0.43
21	Yong Chai Ing	9,679,400	0.41
22	RHB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Perumal A/L Manimaran</i>	9,000,000	0.38
23	Mercsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Siow Wong Yen @ Siow Kwang Hwa</i>	8,000,000	0.33
24	HLIB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Yap Qwee Beng</i>	7,298,300	0.31
25	Kwang Yeow Heng Realty Development (Malaysia) Sdn Bhd	6,006,000	0.25
26	Chin Poh Ling	5,600,000	0.23
27	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Modern Discovery Sdn Bhd (PB)</i>	5,600,000	0.23
28	Chua Chin Hwee	5,364,100	0.22
29	Lim Kew Lin Realty Sdn Bhd	5,040,000	0.21
30	Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for TNTT Realty Sdn Bhd</i>	5,000,000	0.21
Total		1,361,318,248	56.99



PROPERTIES HELD BY THE GROUP

AS AT 30 JUNE 2025

Properties / location	Registered Proprietor	Description / Existing Use	Tenure	Land Area	Year of Acquisition / (Revaluation)	Net Book Value
<u>Mukim Tangkak, Daerah Tangkak, State of Johor</u>	Matang Agriculture and Plantation (Segamat) Sdn. Bhd.	Oil palm and durian plantation	Freehold	Total: 1,094.15 hectares	Acquired: 1983 / Revalued: 2016	RM131,532,807 (out of which RM23,745,590 is the net book value for bearer plants)
Lot 984, Geran 2752						
Lot 1543, Geran 215103						
Lot 4073, Geran 215598						
Lot 672, Geran 214838						
Lot 4615, Geran 215709						
Lot 6711, Geran 218156						
<u>Mukim Bukit Serampang, Daerah Tangkak, State of Johor</u>						
Lot 95, GM 764						
Lot 96, GM 765						
Lot 97, GM 766						
Lot 104, GM 768						
Lot 105, GM 1604						
Lot 1540, GM 1606						
Lot 1541, GM 1607						
Lot 98, GM 1816						
Lot 1224, Geran 214295						
Lot 2788, Geran 214550						
Lot 2785, Geran 214548						
Lot 2796, Geran 214583						
Lot 2784, Geran 214545						
Lot 2795, Geran 437195						
<u>Mukim Jementah, Daerah Segamat, State Johor</u>						
Lot 2497, Geran 24447						
Lot 2498, Geran 24448						
Lot 2499, Geran 24449						
Lot 2500, Geran 24450						
Lot 2501, Geran 24451						
Lot 2502, Geran 24452						
Lot 2506, Geran 24456						
Lot 2507, Geran 24457						
Lot 2509, Geran 24458						
Lot 2508, Geran 24459						
Lot 2496, Geran 24460						
Lot 2495, Geran 24461						
Lot 2494, Geran 24462						
Lot 2493, Geran 24463						
Lot 2492, Geran 24464						
Lot 2491, Geran 24465						
Lot 2490, Geran 24466						
Lot 2489, Geran 24467						
Lot 2488, Geran 24468						
Lot 2487, Geran 24469						
Lot 6184, Geran 37582						
Lot 6186, Geran 37584						
Lot 6188, Geran 37586						
Lot 61681, Geran 9359						
Lot 61694, Geran 9362						



PROPERTIES HELD BY THE GROUP cont'd

AS AT 30 JUNE 2025

Properties / location	Registered Proprietor	Description / Existing Use	Tenure	Land Area	Year of Acquisition / (Revaluation)	Net Book Value
Lot PTD 10109 H.S.(D) 4636 Mukim Tangkak Daerah Tangkak, State of Johor	Matang Agriculture and Plantation (Segamat) Sdn Bhd	Vacant land	Freehold	0.50 hectares	Acquired: 2001 / Revalued: 2025	RM2,700,000
No. Hakmilik 95001, Lot 7415, Mukim Tanjung Sembrong, Daerah Batu Pahat, State of Johor	Matang Agriculture and Plantation (Yong Peng) Sdn Bhd	Oil Palm and Durian plantation	Freehold	Total: 56.226 hectares	Acquired: 2023	RM28,479,669 (out of which RM11,122,997 is the net book value for bearer plants)
Lot TLO 703 H.S.(D) 8796 Bandar Johor Bahru Johor Bahru State of Johor	Matang Holdings Berhad	A 5-storeys factory building, a double storey factory building and a single storey factory building, all together with land	Leasehold of 60 years expiring on 24 September 2031	1.29 hectares	Acquired: 1988 / Revalued: 2025	RM8,000,000



NOTICE OF THE ELEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting (“11th AGM”) of the Company will be conducted physically at Hotel Equatorial, Equatorial Plaza, Sapphire 3, Level 1, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia (“Venue”) on **Wednesday, 26 November 2025 at 10.00 a.m.** for the following purposes:

AGENDA

Ordinary Business

- | | | |
|-----|--|--|
| 1. | To receive the Audited Financial Statements for the financial year ended 30 June 2025 and the Reports of the Directors and the Auditors thereon. | (Please refer to Explanatory Note 1) |
| 2. | To re-elect the following Directors retiring in accordance with Clause 125 of the Constitution of the Company: | |
| 2.1 | Dato’ Foong Chee Meng | Resolution 1
(Please refer to Explanatory Note 2) |
| 2.2 | Ms. Sophia Lim Chia Hui | Resolution 2
(Please refer to Explanatory Note 2) |
| 3. | To re-elect Mr. Tai Chee How, a director who is retiring in accordance with Clause 130 of the Constitution of the Company | Resolution 3
(Please refer to Explanatory Note 2) |
| 4. | To approve the payment of Directors’ Fees of RM165,699.00 in respect of the financial year ended 30 June 2025. | Resolution 4
(Please refer to Explanatory Note 3) |
| 5. | To approve the payment of Directors’ benefits of up to RM176,400.00 for the financial period from 1 January 2026 to 31 December 2026. | Resolution 5
(Please refer to Explanatory Note 3) |
| 6. | To re-appoint BDO PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration. | Resolution 6
(Please refer to Explanatory Note 4) |

As Special Business

To consider and if thought fit, to pass the following as Ordinary Resolutions:

- | | | |
|----|--|--|
| 7. | To approve the payment of the first and final single-tier dividend of 0.22 sen per ordinary share for the financial year ended 30 June 2025. | Resolution 7
(Please refer to Explanatory Note 5) |
| 8. | Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 | Resolution 8
(Please refer to Explanatory Note 6) |

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (“Act”), ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer (“New Shares”) from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being (“Proposed General Mandate”).



NOTICE OF THE ELEVENTH ANNUAL GENERAL MEETING cont'd

THAT such approval on the Proposed General Mandate shall continue to be in force until:

- a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;
- b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
- c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the ACE Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

9. **Retention of Independent Director in accordance with the Malaysian Code on Corporate Governance**

**Resolution 9
(Please refer to
Explanatory Note 7)**

"THAT Dato' Foong Chee Meng, an Independent Director who has served in the Company for more than nine (9) years, be hereby retained as an Independent Director and to hold office until the next Annual General Meeting."

10. To transact any other business of the Company of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT subject to the approval of shareholders at the Eleventh Annual General Meeting of the Company, the first and final single-tier dividend of 0.22 sen per ordinary share in respect of the financial year ended 30 June 2025 will be paid to shareholders on 7 January 2026. The entitlement date for the said dividend shall be on 12 December 2025.

A depositor shall qualify for entitlement to the dividend only in respect of:

- a. Shares transferred to the depositor's securities account before 4.30 p.m. on 12 December 2025 in respect of transfers.
- b. Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

NUR SHAHFAIZA BINTI MD YUSOFF (SSM PC No. 202008000953) (MAICSA 7052006)

LIM LI MING (SSM PC No. 202108000452) (MAICSA 7071593)

Joint Company Secretaries

Kuala Lumpur

Dated: 22 October 2025



NOTICE OF THE ELEVENTH ANNUAL GENERAL MEETING cont'd

NOTES:

- I. For the purpose of determining a member who shall be entitled to attend and vote at the AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as at **19 November 2025** and only a depositor whose name appears in the Record of Depositors shall be entitled to participate at AGM or to appoint proxy(ies) to participate on his/her behalf.
- II. Appointment of Proxy
 - A member of the Company who is entitled to attend and vote at this meeting shall be entitled to appoint not more than two (2) proxies to exercise all or any of his/her rights to participate in his/her stead pursuant to Section 334 of the Companies Act 2016. There shall be no restriction as to the qualification of the proxy.
 - Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint 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.
 - Where a member of the Company is an Exempt Authorised Nominee 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. An Exempt Authorised Nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
 - Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, otherwise the appointment shall not be valid.
 - The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company at least forty-eight (48) hours before the time appointed for holding the general meeting or any adjournment thereof at which the person named in the appointment proposes to vote:

In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively to be deposited in the drop-box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

By electronic means

The proxy form can be electronically lodged with the Share Registrar of the Company via Vistra Share Registry and IPO (MY) portal ("The Portal") at <https://smy.vistra.com>. Please refer to the Administrative Guide for the AGM on the procedures for electronic lodgement of proxy form via TIIH Online.
 - Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar's office at the above address not less than forty-eight (48) hours before the time appointed for holding the 11th AGM or adjourned general meeting at which the persons named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
 - For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL/DULY CERTIFIED** certificate of appointment of authorised representative with the Share Registrar of the Company at the above address. The certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member. If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by at least two (2) authorised officers, of whom one shall be a director; or any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
 - Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.
 - Last date and time for lodging the Proxy Form is **Monday, 24 November 2025 at 10.00 a.m.**
- III. Shareholders are advised to check the Company's website and announcements from time to time for any changes to the administration of the 11th AGM.



NOTICE OF THE ELEVENTH ANNUAL GENERAL MEETING cont'd

Explanatory Notes on Ordinary Business

1. Agenda Item No. 1 – Audited Financial Statements for the Financial Year Ended 30 June 2025

The Audited Financial Statements is meant for discussion only as an approval from the shareholders is not required pursuant to the provision of Section 340(1)(a) of the Companies Act 2016 ("the Act"). Hence, this item on the Agenda is not put forward for voting.

2. Agenda Item No. 2 & No. 3

Resolution No. 1 to No. 3 – Re-election of Directors

Mr. Tai Chee How, an additional Director appointed on 16 July 2025, is subject for re-election as a Director of the Company in accordance with Clause 130 of the Company's Constitution. Dato' Foong Chee Meng and Ms. Sophia Lim Chia Hui are standing for re-election as Directors of the Company in accordance with the Clause 125 of the Company's Constitution. The retiring Directors, being eligible, have offered themselves for re-election at the 11th AGM. The details of the retiring Directors are set out under their respective profiles on pages 6 to 8 of the Annual Report 2025.

The Board had, through the Nomination and Remuneration Committee ("NRC"), assessed the performance and contribution of the retiring Directors through the annual Board and Directors' assessment for 2025 and taken into consideration the fit and proper criteria under the Directors' Fit and Proper Policy of the Company.

Based on the outcome of the above assessment, the NRC and the Board were satisfied that the retiring Directors met the criteria as prescribed under Rule 2.20A of the Listing Requirements of Bursa Securities on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors. Accordingly, the Board (save for the retiring Directors who had abstained from deliberations on their own re-election) is supportive of the re-election of the retiring Directors.

3. Agenda Item No. 4 & No. 5

Resolution No. 4 & No. 5 – Approval of Directors' Fees and Directors' Benefits

The approval for the proposed Resolution No. 4 and No. 5 in relation to the payment of Directors' fees and benefits are sought pursuant to Section 230(1) of the Companies Act 2016. The proposed Resolutions are to facilitate payment of Directors' fees for the financial year ended 30 June 2025 and Directors' benefits on the current financial year basis until the conclusion of the Company's next Annual General Meeting ("AGM") in 2026.

Directors' benefits include allowances and other emoluments payable to Directors and in determining the estimated total the Board had considered various factors including the number of scheduled meetings for the Board, Board Committees, Board meetings of subsidiaries and covers the period from 1 January 2026 to 31 December 2026 (the due date for which the next AGM should be held). In the event the Directors' benefits proposed are insufficient (e.g. due to more meetings or enlarged Board size etc.), approval will be sought at the next AGM for the additional amount to meet the shortfall.

4. Agenda Item No. 6

Resolution No. 6 – Re-appointment of External Auditors

The Board had, through the Audit and Risk Management Committee ("ARMC"), assessed the suitability, objectivity and independence of the External Auditors, BDO PLT. The ARMC and the Board were satisfied that BDO PLT met the relevant criteria prescribed under Rule 15.21 of the Listing Requirements of Bursa Securities. The Board approved the ARMC's recommendation to seek shareholders' approval for the re-appointment of BDO PLT as the External Auditors of the Company.



NOTICE OF THE ELEVENTH ANNUAL GENERAL MEETING cont'd

Explanatory Notes on Special Business

5. **Agenda Item No. 7**

Resolution No. 7 - First and Final Single-Tier Dividend for the Financial Year Ended 30 June 2025

The Board of Directors, having satisfied that the distribution of first and final single-tier dividend is made out of profits of the Company and that the Company will be solvent and will be able to pay its debts as and when the debts become due within 12 months immediately after the distribution is made in accordance with the requirements under the Companies Act 2016, is recommending the first and final single-tier dividend of 0.22 sen per ordinary share for the financial year ended 30 June 2025 for shareholders' approval.

6. **Agenda Item No. 8**

Resolution No. 8 - Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution, if passed, will empower the Directors of the Company to issue and allot ordinary shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed the prescribed limit under the Listing Requirements of Bursa Securities.

The Board of Directors of the Company is of the view that the Proposed General Mandate is in the best interest of the Company and its shareholders as it will provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time. It will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

The proposed Resolution No. 8 is a renewal of the previous year's mandate. As at the date of this Notice, the Company has not issued any new shares under the general mandate granted at the previous Annual General Meeting of the Company.

7. **Agenda Item No. 9**

Resolution No. 9 – Retention of Independent Director pursuant to the Malaysian Code on Corporate Governance

Practice 5.3 of the Malaysian Code on Corporate Governance provides that shareholders' approval be sought in the event the Company intends for an Independent Director who has served in the capacity for more than nine (9) years, to continue to act as Independent Director of the Company, through a two-tier voting process.

Dato' Foong Chee Meng ("Dato' Foong") was appointed as Independent Director of the Company on 1 September 2015 and has served the Board for a cumulative term of more than nine (9) years. The Nomination and Remuneration Committee and the Board of Directors of the Company had at their annual assessment determined that Dato' Foong, the Independent Director, is objective and independent in expressing his views and he participated in deliberations and decision making of the Board and Board Committees. The length of his service on the Board does not in any way interfere with the exercise of independent judgement and his ability to act in the best interests of the Company. The Company therefore tables the proposal to retain Dato' Foong as an Independent Director.



STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Election of Directors

There is no person seeking election as Director of Matang Berhad at this Eleventh Annual General Meeting.

2. General mandate for issuance of securities

Kindly refer to Note 6 of the Explanatory Notes on Special Business - Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 under the Notes to the Notice of the Eleventh Annual General Meeting for details of this proposed resolution.



PROXY FORM

MATANG BERHAD
201501017043 (1142377-X)
(Incorporated in Malaysia)

CDS Account No. (for Nominees Account only)	
No. of shares held	

I / We, _____ NRIC/Passport No. _____ of
(FULL NAME IN BLOCK LETTERS)

_____ (FULL ADDRESS)
contact no. _____ email address _____ being a member/members of
Matang Berhad ("Company") hereby appoint the person(s) below as my/our proxy(ies) to vote for me/us and on my/our behalf at the Eleventh Annual General Meeting ("**11th AGM**") of the Company which will be conducted physically at Hotel Equatorial, Equatorial Plaza, Sapphire 3, Level 1, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia on **Wednesday, 26 November 2025 at 10.00 a.m.**, or at any adjournment thereof:

PROXY 1			
Full Name (in Capital Letters):	NRIC/Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Full Address:	Contact No.:		
	Email Address:		

*and/or

PROXY 2			
Full Name (in Capital Letters):	NRIC/Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Full Address:	Contact No.:		
	Email Address:		

or failing him/her, the *CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us and on my/our behalf at the 11th AGM of the Company.

**Strike out whichever is not applicable*

My/Our proxy is to vote as indicated below:

Resolutions	Descriptions	FOR	AGAINST
	Ordinary Business		
No. 1	Re-election of Dato' Foong Chee Meng as Director		
No. 2	Re-election of Ms. Sophia Lim Chia Hui as Director		
No. 3	Re-election of Mr. Tai Chee How as Director		
No. 4	Approval of Directors' Fees of RM165,699.00 in respect of the financial year ended 30 June 2025		
No. 5	Approval of Directors' benefits of up to RM176,400.00 for the financial period from 1 January 2026 to 31 December 2026		
No. 6	Re-appointment of BDO PLT as Auditors and authorisation for Directors to fix their remuneration		
	Special Business		
No. 7	Approval of first and final single-tier dividend of 0.22 sen per ordinary share for the financial year ended 30 June 2025		
No. 8	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		
No. 9	Retention of Dato' Foong Chee Meng as Independent Director		

Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

Signed this day of2025

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

NOTES:

- I. For the purpose of determining a member who shall be entitled to attend and vote at the 11th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as at **19 November 2025** and only a depositor whose name appears in the Record of Depositors shall be entitled to participate at 11th AGM or to appoint proxy(ies) to participate on his/her behalf.
- II. Appointment of Proxy
 - A member of the Company who is entitled to attend and vote at this meeting shall be entitled to appoint not more than two (2) proxies to exercise all or any of his/her rights to participate in his/her stead pursuant to Section 334 of the Companies Act 2016. There shall be no restriction as to the qualification of the proxy.
 - Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint 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.
 - Where a member of the Company is an Exempt Authorised Nominee 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. An Exempt Authorised Nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
 - Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, otherwise the appointment shall not be valid.

Then Fold Here

AFFIX
STAMP

The Registrar
MATANG BERHAD
201501017043 (1142377-X)
c/o Tricor Investor & Issuing House Services Sdn Bhd
197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

1st Fold Here

- The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company at least forty-eight (48) hours before the time appointed for holding the general meeting or any adjournment thereof at which the person named in the appointment proposes to vote:
 - In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively to be deposited in the drop-box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - By electronic means
The proxy form can be electronically lodged with the Share Registrar of the Company via Vistra Share Registry and IPO (MY) portal ("The Portal") at <https://smy.vistra.com>. Please refer to the Administrative Guide for the 11th AGM on the procedures for electronic lodgement of proxy form via TIH Online.
 - Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar's office at the above address not less than forty-eight (48) hours before the time appointed for holding the 11th AGM or adjourned general meeting at which the persons named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
 - For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL/DULY CERTIFIED** certificate of appointment of authorised representative with the Share Registrar of the Company at the above address. The certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member. If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by at least two (2) authorised officers, of whom one shall be a director; or any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
 - Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.
 - Last date and time for lodging the Proxy Form is **Monday, 24 November 2025 at 10.00 a.m.**
3. Shareholders are advised to check the Company's website and announcements from time to time for any changes to the administration of the 11th AGM.

