

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025



MINHO (M) BERHAD

Registration No.: 199001009358 (200930-H)
(Incorporated in Malaysia)

2025
ANNUAL
REPORT

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Contents

GROUP INFORMATION	1
CORPORATE INFORMATION	2
CORPORATE STRUCTURE	3
FINANCIAL HIGHLIGHTS	4
EXECUTIVE CHAIRMAN'S STATEMENT	5
PROFILE OF DIRECTORS	6
MANAGEMENT DISCUSSION AND ANALYSIS	9
SUSTAINABILITY STATEMENT	13
CORPORATE GOVERNANCE OVERVIEW STATEMENT	64
AUDIT AND RISK MANAGEMENT COMMITTEE REPORT	75
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL	79
OTHER COMPLIANCE INFORMATION	82
STATEMENT OF DIRECTORS' RESPONSIBILITY	87
FINANCIAL STATEMENTS	88
LIST OF PROPERTIES	177
ANALYSIS OF SHAREHOLDINGS	184
NOTICE OF THIRTY-FIFTH ANNUAL GENERAL MEETING	186
PROXY FORM	191

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Group Information

Main Office

Minho (M) Berhad

[Registration No. 199001009358 (200930-H)]
(Corporate Head Office)
Lot 6476, Lorong Sg. Puluh,
Batu 6, Off Jalan Kapar,
42100 Klang,
Selangor Darul Ehsan
Tel : +603-3291 1300 Fax : +603-3291 2100
Website : www.minhomalaysia.com
E-mail : enquires@minhobhd.com

Main Subsidiary Companies:

Syarikat Minho Kilning Sdn Bhd

[Registration No. 197701005526 (36556-D)] /

Syarikat Vinco Timber Industries Sdn Bhd

[Registration No. 198001004366 (58151-U)]
(Custom kiln drying & chemical impregnation services)
Lot 6476, Lorong Sg. Puluh,
Batu 6, Off Jalan Kapar,
42100 Klang,
Selangor Darul Ehsan
Tel : +603-3291 1300 (KP Lim) Fax : +603-3291 2100

Victory Enterprise Sdn Bhd

[Registration No. 198001001636 (55419-H)]
(Sawntimber and timber mouldings)
Lot 6466, Lorong Sg. Puluh,
Batu 6, Off Jalan Kapar,
42100 Klang,
Selangor Darul Ehsan
Tel : +603-3291 2811 (Kenneth) Fax : +603-3291 2992
Website : www.mtc.com.my/victory
E-mail : victory83v@gmail.com

Costraco Sdn Bhd

[Registration No. 197301002028 (15557-U)] /

Euro-CGA Sdn Bhd

[Registration No. 200101023337 (559095-H)]
(Sawntimber, KOMO certified timber products)
711 & 712, 7th Floor,
Block B, Kelana Square,
No. 17, Jalan SS7/26, Kelana Jaya,
47301 Petaling Jaya,
Selangor Darul Ehsan
Tel : +603-7880 2191 (Henry) Fax : +603-7880 2671
E-mail : info@costraco.com

Lionvest Corporation (Pahang) Sdn Bhd

[Registration No. 198601008062 (157253-M)] /

Lionvest Timber Industries Sdn Bhd

[Registration No. 199101004592 (214902-U)]
(Logs and sawmilling)
Jengka Timber Complex,
26400 Bandar Jengka,
Pahang Darul Makmur
Tel : +609-466 4888 (Jeff Loo) Fax : +609-466 4220

Indah Paper Industries Sdn Bhd

[Registration No. 198101003381 (69495-M)]
(Industrial grade sack kraft paper bags)
Lot 6503, Lorong Sg. Puluh,
Batu 6, Off Jalan Kapar,
42100 Klang,
Selangor Darul Ehsan
Tel : +603-3290 6018 (Say Hong) Fax : +603-3290 6020
Website : www.indahpaper.com
E-mail : sales@indahpaper.com

My Squares Development Sdn Bhd

[Registration No. 199301005675 (260412-D)]
(Property development)

ML Setia Sdn Bhd

[Registration No. 202401050077 (1595921-K)]
(Investment Holding)
2A, Lintang Gelugor,
Off Persiaran Sultan Ibrahim,
41300 Klang,
Selangor Darul Ehsan
Tel : +603-3342 0552 (Mark Loo) Fax : +603-3343 9775
E-mail : mysquares@hotmail.com

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Corporate Information

BOARD OF DIRECTORS

Dato' Loo Keng An @ Lee Kim An

(Executive Chairman)

Loo Say Leng

(Executive Director)

Tuan Haji Mohd Faizal Bin Haji Abdul Majid

(Independent Non-Executive Director)

Lim Kim Meng

(Independent Non-Executive Director)

Jeannie Lim Li Tein

(Independent Non-Executive Director)

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman: Tuan Haji Mohd Faizal Bin Haji Abdul Majid

Members: Lim Kim Meng

Jeannie Lim Li Tein

NOMINATION AND REMUNERATION COMMITTEE

Chairman: Lim Kim Meng

Members: Jeannie Lim Li Tein

Tuan Haji Mohd Faizal Bin Haji Abdul Majid

EXECUTIVE COMMITTEE

Chairman: Dato' Loo Keng An @ Lee Kim An

Members: Yap Leong Seng

(Alternate Member: Yap Han Chin)

Loo Say Leng

Loo Say Kian

Loo Say Cheng

REGISTRARS

Boardroom Share Registrars Sdn Bhd

11th Floor, Menara Symphony,

No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13,

46200 Petaling Jaya, Selangor

Tel : +603-7890 4700

Fax : +603-7890 4670

Email : carmen.fong@boardroomlimited.com

SECRETARY

Mak Chooi Peng (MAICSA 7017931)

(SSM PC No. 201908000889)

REGISTERED OFFICE

Unit 2005, 20th Floor, Tower 2, Faber Towers,

Jalan Desa Bahagia, Taman Desa,

58100 Kuala Lumpur

Tel : +603-8084 3751

Fax : +603-8084 3751

Email : cpmak@aconas.com.my

AUDITORS

ECOVIS MALAYSIA PLT (AF 001825)

D-10-03, Level 10, EXSIM Tower,

Millerz Square @ Old Klang Road, Megan Legasi,

No. 357, Jalan Kelang Lama,

58000 Kuala Lumpur, Wilayah Persekutuan

Tel : +603-7986 0066

PRINCIPAL BANKERS

Maybank Islamic Berhad

Alliance Bank Malaysia Berhad

HSBC Bank Malaysia Berhad

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities Berhad

Stock Code : 5576

WEBSITE

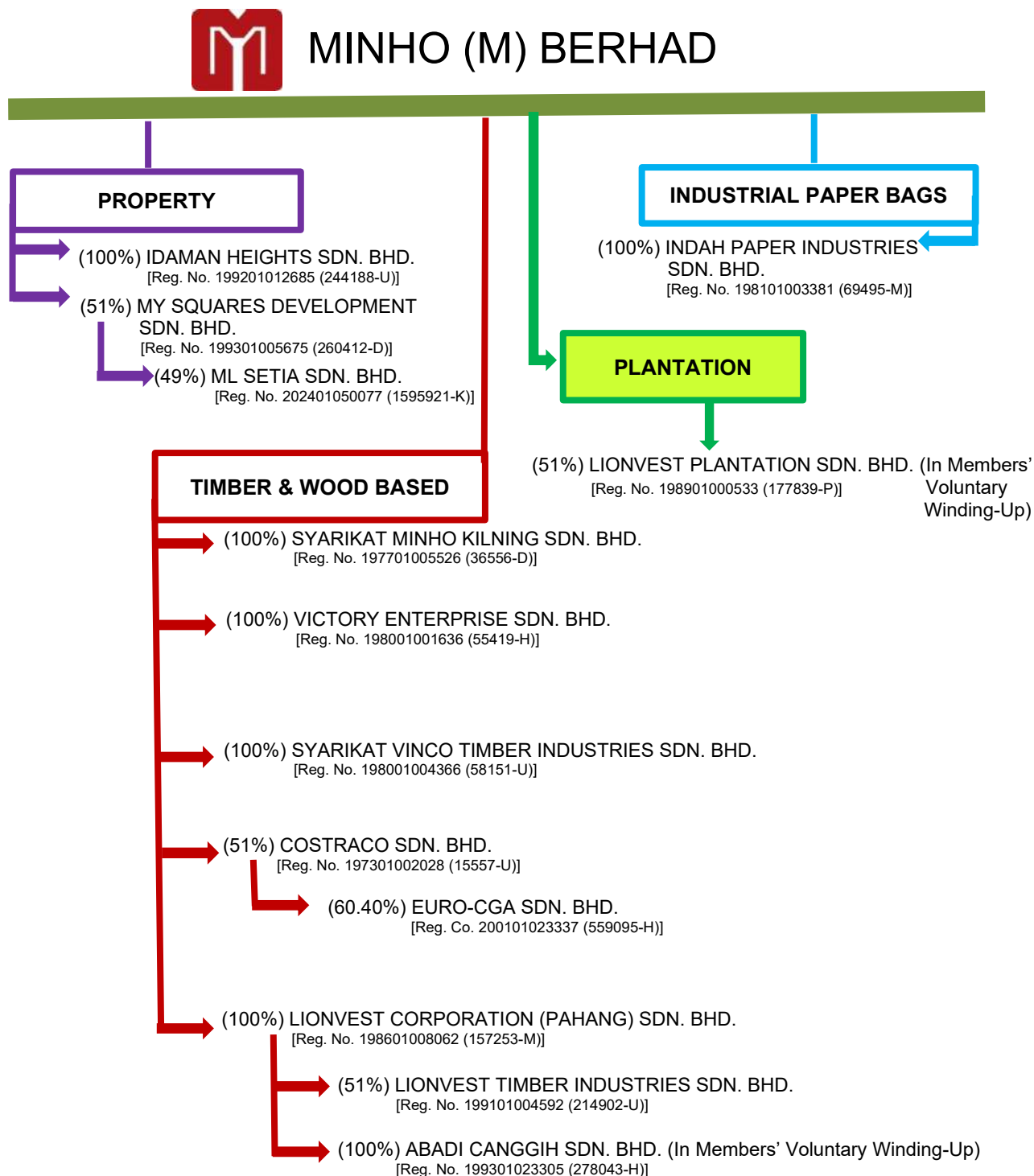
www.minhomalaysia.com

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Corporate Structure

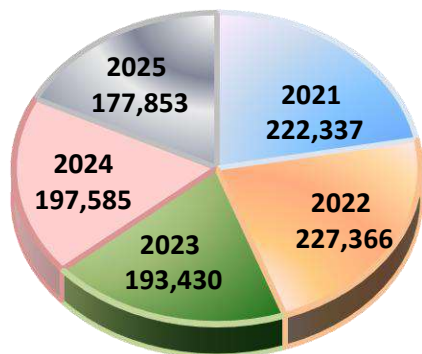


MINHO (M) BERHAD

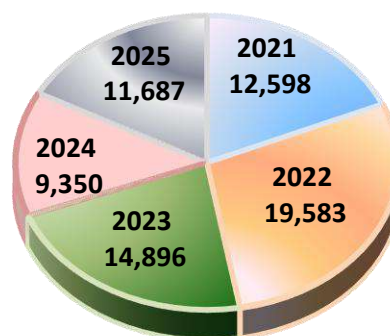
Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

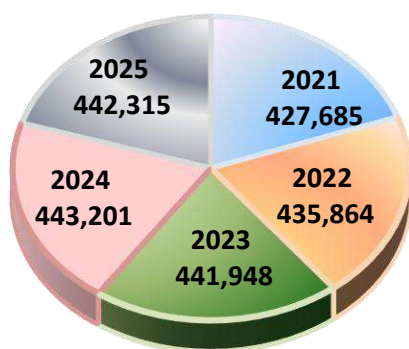
Financial Highlights



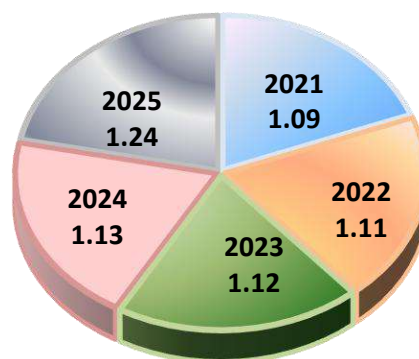
REVENUE (RM '000)



PROFIT/(LOSS) BEFORE TAX (RM '000)



TOTAL NET ASSETS (RM '000)



NET TANGIBLE ASSETS PER SHARE (RM)

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Executive Chairman's Statement

Dear Valued Shareholders,

On behalf of the Board of Directors of Minho (M) Berhad ("**the Company**"), I am pleased to present the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31 December 2025 ("**FYE 2025**").

Financial Performance

The Group registered a total revenue of RM177.85 million during FYE 2025, a decrease of RM19.74 million or 9.99% as compared to RM197.59 million achieved in the financial year ended 31 December 2024. Despite the decrease in turnover, the Group's pre-tax profit increased by RM2.34 million to RM11.69 million in FYE 2025.

The main contributors to the Group's revenue were the timber trading, manufacturing and services & treatment segments. However, the decrease in revenue contribution was attributed to lower sales of the timber trading and manufacturing segments. Further elaboration, details and breakdown of the Group's financial performance for FYE 2025 are available in the Management Discussion and Analysis Section in this Annual Report.

Dividend

The Board of Directors of the Company has declared and paid a single tier interim dividend of 0.85 sen per ordinary share, amounting to RM3,032,155 in respect of FYE 2025 on 15 December 2025.

Outlook

In its latest January 2026 World Economic Outlook ("**WEO**") Update, the International Monetary Fund ("**IMF**") forecasts global growth of 3.3% in 2026 and 3.2% in 2027, revised slightly upward from the October 2025 WEO. Technology investment, fiscal and monetary support, accommodative financial conditions, and private sector adaptability are expected to offset trade policy shifts. Global inflation is expected to ease, although inflation in the United States may decline more gradually.

Given the mixed economic outlook and prevailing conditions, the Group will continue to adopt a prudent approach moving forward. The Group intends to further strengthen operational efficiency and optimize costs across its operations and activities.

Acknowledgement

On behalf of the Board of Directors, I would like to extend our appreciation to the management team and employees of the Company. Your hard work, dedication and commitment in a demanding and challenging industry have contributed to the Group's performance. I would also like to express my sincere gratitude to our customers, business associates, financiers, government and non-government agencies, Bursa Malaysia Securities Berhad and shareholders for their continued confidence and support towards the Group. Finally, I would like to thank my fellow Directors for their contributions, professional advice and continued support to the Company.

Dato' Loo Keng An @ Lee Kim An
Executive Chairman

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Profile of Directors

DATO' LOO KENG AN @ LEE KIM AN, aged 80, male, Malaysian, is the Executive Chairman of the Company, the Chairman of the Executive Committee and key management. Dato' Loo was appointed to the Board on 16 July 1990 and he has more than 30 years of experience in the timber business. He was redesignated as Executive Chairman of the Company on 29 November 2024. In 1970, he was a contractor providing lighterage service to the timber companies for Mahawangsa Jetty Sdn. Bhd. in Port Klang. Over the years, he had built up extensive experience on kiln drying, sawmilling, export of sawn timber and logging. In 1977, together with the late Mr. Ng Kim Kee, they founded Syarikat Minho Kilning Sdn. Bhd. to provide timber kiln drying services. Dato' Loo has been the key to the success of Minho.

Dato' Loo is a substantial shareholder of the Company by virtue of his interest in Minho Holdings Sdn. Bhd., a substantial shareholder of the Company, via Section 8 of the Companies Act 2016. He is the father of Mr. Loo Say Leng, an Executive Director of the Company. Dato' Loo does not hold directorship in other public companies or listed companies. He currently holds directorships in the subsidiaries of Minho (M) Berhad. Dato' Loo has no conflict of interest or potential conflicts of interest, including interest in any competing business with the Company, and neither has he been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Dato' Loo attended all five (5) Board meetings held during the financial year ended 31 December 2025.

LOO SAY LENG, aged 58, male, Malaysian, is the Executive Director of the Company and a member of the Executive Committee. Mr. Loo was appointed to the Board on 13 January 1993. He graduated with a Bachelor of Science Degree majoring in Finance from the California State University, Fresno, United States of America. He is responsible for the Group's corporate finance and affairs.

He is the son of Dato' Loo Keng An @ Lee Kim An, the Executive Chairman of the Company. Mr. Loo does not hold directorship in other public companies or listed companies. He currently holds directorships in few subsidiaries of Minho (M) Berhad. He has no conflict of interest or potential conflicts of interest, including interest in any competing business with the Company, and neither has he been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Mr. Loo attended all five (5) Board meetings held during the financial year ended 31 December 2025.

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Profile of Directors (cont'd)

LIM KIM MENG, aged 55, male, Malaysian, is the Independent Non-Executive Director of the Company. Mr. Lim is also the Chairman of the Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee. He was appointed to the Board on 30 November 2021. He graduated with a Second-Class Honours Bachelor of Laws Degree from the University of London and completed his Certificate of Legal Practice in 1994. He is the Managing Partner of Kamil Hashim Raj & Lim, Advocates & Solicitors. His professional experience includes being a member of the Malaysia Financial Markets Association, holding the position of licensed foreign exchange and money market dealer at Southern Bank Berhad (1994-1997) and Institutional Sales Dealer and Licensed KLSE Equities Dealer with HLG Securities (1997-1998).

Mr. Lim does not hold directorships in any other public companies or listed companies. He does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest or potential conflicts of interest, including interest in any competing business with the Company. He is currently a minority shareholder in the Company and does not hold any shares in the Company's subsidiary companies. He has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Mr. Lim attended all five (5) Board meetings held during the financial year ended 31 December 2025.

TUAN HAJI MOHD FAIZAL BIN HAJI ABDUL MAJID, aged 58, male, Malaysian, is the Independent Non-Executive Director of the Company. Encik Faizal is the Chairman of the Audit and Risk Management Committee and a member of the Nomination and Remuneration Committee. He was appointed to the Board on 20 April 2022. He graduated with a First-Class Honours Bachelor of Accountancy Degree from University Technology Mara and he is a Chartered Accountant registered with the Malaysian Institute of Accountants. He also holds a Bachelor of Accounting & Finance Degree from the University of Galmorgan. He held various senior management positions with companies in various industries. Encik Faizal started his career in K.Y. Ho & Co as semi-senior auditor in 1993. He was with the account department of Berjaya Timber Industries Sdn. Bhd. from 1994 to 1995, and he later joined Minho (M) Berhad as Senior Finance Executive and was appointed as the Alternate Director to Encik Khibir Bin Razali, the former Finance Director of the Company, until 2013. He is currently the Senior Vice President of Corporate Finance in Quantum Medical Solutions Sdn. Bhd. in 2014.

Encik Faizal does not hold directorships in any other public companies or listed companies. He does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest or potential conflicts of interest, including interest in any competing business with the Company. He is currently a minority shareholder in the Company and does not hold any shares in the Company's subsidiary companies. He has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Encik Faizal attended all five (5) Board meetings held during the financial year ended 31 December 2025.

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Profile of Directors (cont'd)

JEANNIE LIM LI TEIN, aged 44, female, Malaysian, is the Independent Non-Executive Director of the Company. Ms. Jeannie is a member of the Audit and Risk Management Committee and the Nomination and Remuneration Committee. She was appointed to the Board on 20 April 2022. Ms. Jeannie holds a Bachelor of Business and Commerce from the Monash University Malaysia. She is a member of the Malaysian Institute of Accountant and Australian Society of Certified Practising Accountants. She is currently the Head of Strategy and Transformation at Propel Group Berhad, bringing over 20 years of experience in corporate and consulting environments. Her expertise spans strategic planning and operational excellence, ensuring alignment between strategy and execution. She has led a wide range of projects, including strategy consulting, market feasibility studies, management and technical risk assessments, investment due diligence, fundraising, as well as the evaluation and negotiation of privatization initiatives. Her previous experience also includes Ernst & Young Taxation Sdn. Bhd. and PricewaterhouseCoopers Taxation Sdn. Bhd., where she was involved in the provision of corporate tax advisory.

Ms. Jeannie does not hold directorships in any other public companies or listed companies. She does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest or potential conflicts of interest, including interest in any competing business with the Company. She does not hold any shares in the Company nor in subsidiary companies. She has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Ms. Jeannie attended all five (5) Board meetings held during the financial year ended 31 December 2025.

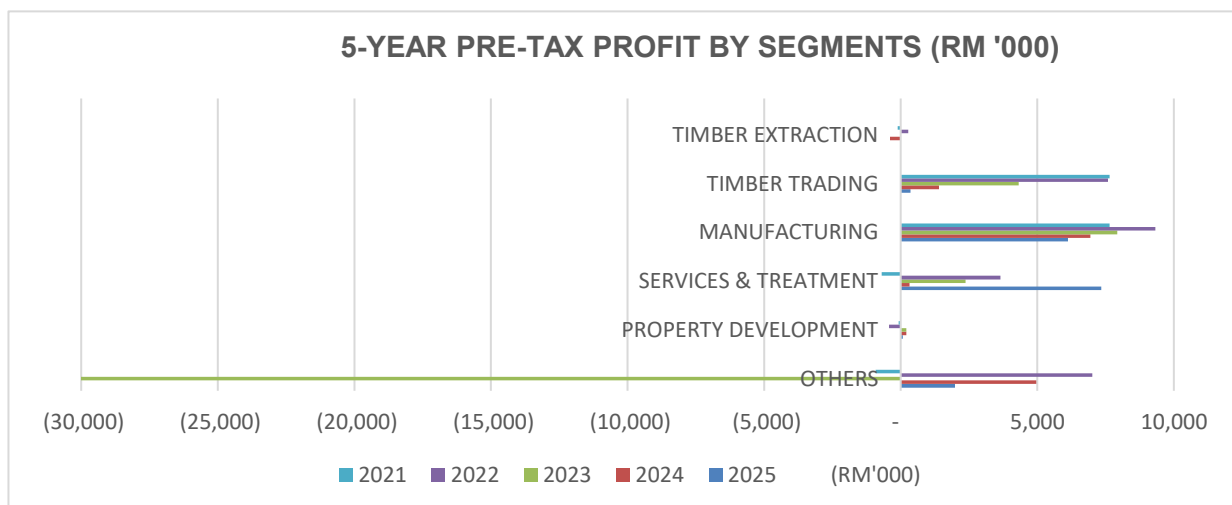
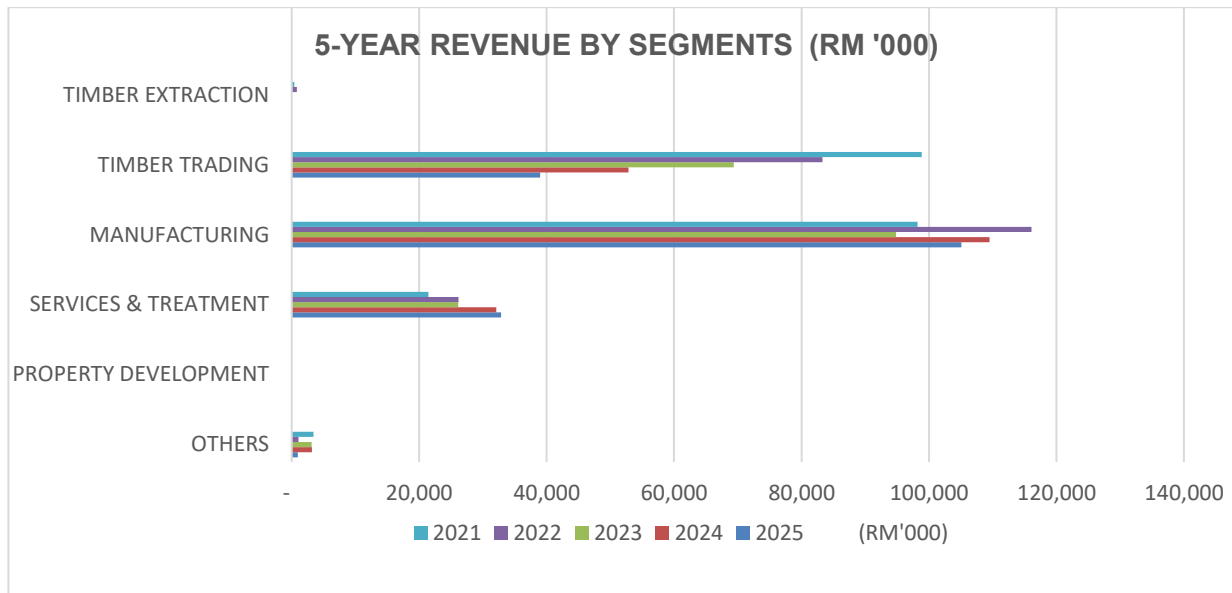
MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Management Discussion and Analysis

Overview of the Group's Business



Financial Performance

The European Union (“EU”) imported 1,608,800 tonnes of tropical wood and wood furniture in 2025, representing a 10% increase compared to 2024. Import value rose by 7% to US\$3.32 billion in 2025. Although this reflects a positive trend, the gains last year only brought EU import quantities slightly above the all-time low recorded in 2024, while the 7% increase in the nominal dollar value of imports is less impressive when set against EU annual inflation of 2.4% in 2025 and 2.7% in the previous year. Taking account of inflation, the real value of imports last year was significantly lower than during the static trading years between 2012 and 2019. The Malaysian economy was one of Southeast Asia’s best performers in 2025 driven especially by a surge in investment in its data centre sector. Alongside Singapore and Vietnam, it has also managed to cope with higher US tariffs and global trade disruptions.

(Source - ITTO TTM Report: 29:4 16–28 February 2026)

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Management Discussion and Analysis (cont'd)

Overview of the Group's Business (cont'd)

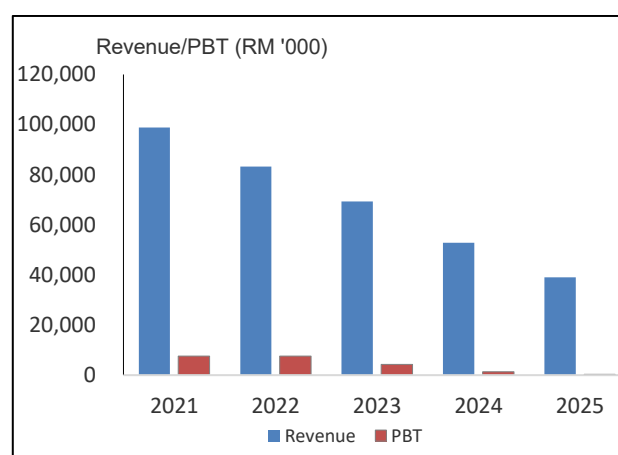
Financial Performance (cont'd)

The Group registered total revenue of RM177.85 million for the 12 months period ended 31 December 2025, representing a decrease of RM19.74 million or 9.99% compared to RM197.59 million recorded in the corresponding 12-month period ended 31 December 2024. This decrease was mainly attributed to the combined RM16.09 million reduction in the Timber Trading and Others market segments. This was partially offset by a total increase of RM0.79 million in turnover from the Services & Treatment market segment. The Group's pre-tax profit increased by RM2.34 million mainly due to the increase in pre-tax profit of Services & Treatment market segments.

Performance by Segments

Timber Trading

Turnover for this segment decreased by RM13.89 million due to lower demand. Pre-tax profit for this segment decreased by RM1.04 million, from RM1.40 million in the corresponding 12-month period ended 31 December 2024 to RM0.36 million for the 12-month period ended 31 December 2025 due to lower gross profit.



MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

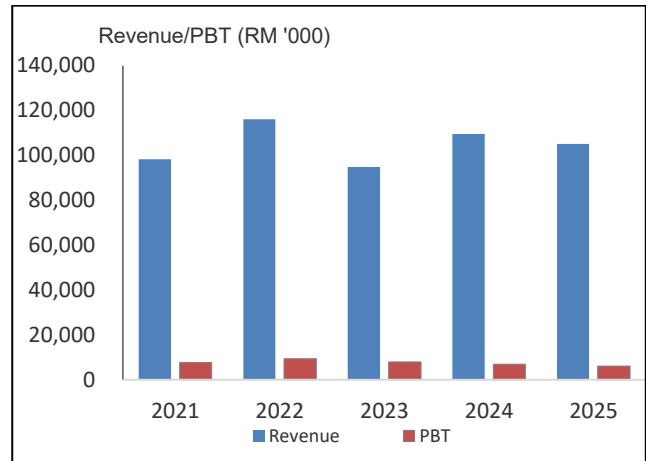
Management Discussion and Analysis (cont'd)

Overview of the Group's Business (cont'd)

Performance by Segments (cont'd)

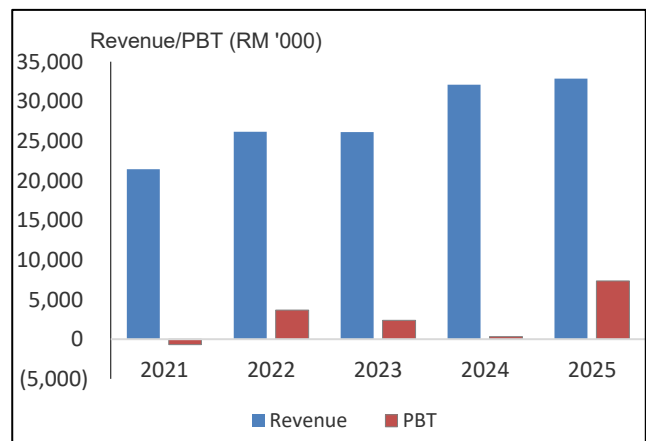
Manufacturing

Total turnover for this segment increased by RM4.42 million. Turnover for the manufacturing of industrial paper bags increased by RM1.26 million due to higher selling price in tandem with the increasing raw materials price, while the turnover for manufacturing of timber and wood based products decreased by RM5.68 million due to lower sales order from buyers. There is a decrease of RM0.82 million in the pre-tax profit compared to previous year. The decrease in pre-tax profit was mainly attributed to lower profit registered by the manufacturing of industrial paper bags, the pre-tax profit decreased by RM1.80 million due to higher direct costs such as labour costs. The pre-tax profit for the manufacturing of timber and wood based products increased by RM0.78 million due to lower finance costs.



Services & Treatment

Total turnover for this market segment in 2025 increased by RM0.79 million due to rental income reclassification. The pre-tax profit for this segment increased by RM7.02 million from RM0.32 million in the corresponding 12-month period ended 31 December 2024 to RM7.34 million for the 12-month period ended 31 December 2025 due to higher margins from the rental income.



MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

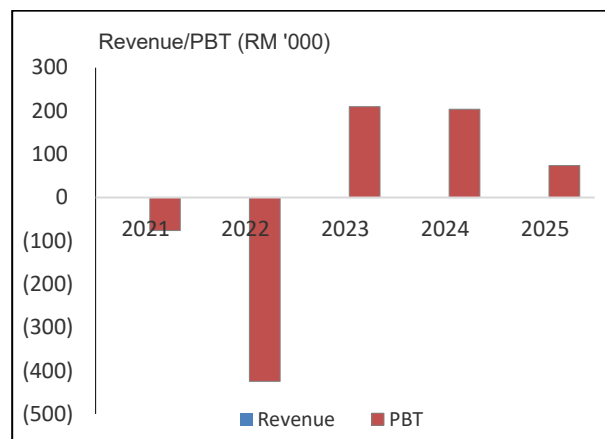
Management Discussion and Analysis (cont'd)

Overview of the Group's Business (cont'd)

Performance by Segments (cont'd)

Property Development

There was no revenue registered for the 12-month period ended 31 December 2025 similar to the corresponding 12-month period ended 31 December 2024. The segment recorded a pre-tax profit of RM74 thousand in 2025 compared to RM204 thousand in 2024.



Future Prospects

The International Monetary Fund (“IMF”) in its latest publication, the World Economic Outlook (“WEO”) Update (January 2026), states that global growth is projected at 3.3% for 2026 and 3.2% for 2027, revised slightly upward from the October 2025 WEO. Technology investment, fiscal and monetary support, accommodative financial conditions, and private sector adaptability are expected to offset trade policy shifts. Global inflation is expected to decline, although inflation in the US is anticipated to return to target more gradually. Key downside risks include a reevaluation of technology expectations and an escalation of geopolitical tensions.

ABOUT THIS STATEMENT

Minho (M) Berhad (“Minho”, “the Group”) is pleased to share our Sustainability Statement, reporting on performance in relation to Economic, Environmental, Social and Governance (“EESG”) pillars. We have established EESG governance across the Group, reviewed related policies and regulations, and built a framework for disclosure and data management. This Statement is to provide insight of our sustainability journey and commitment for our relevant stakeholders.

Reporting Scope and Basis

This Statement covers the Group’s sustainability initiatives and performance for the financial year ended 31 December 2025 (“FYE 2025”) across selected wholly owned subsidiaries, namely:

- (i) Syarikat Minho Kilning Sdn. Bhd. (“Syarikat Minho Kilning”)
- (ii) Victory Enterprise Sdn. Bhd. (“Victory Enterprise”)
- (iii) Costraco Sdn. Bhd. (“Costraco”)
- (iv) Euro-CGA Sdn. Bhd. (“Euro-CGA”)
- (v) Indah Paper Industries Sdn. Bhd. (“Indah Paper Industries”)

Lionvest Corporation (Pahang) Sdn. Bhd., Lionvest Timber Industries Sdn. Bhd., and MY Squares Development Sdn. Bhd. are currently excluded from the scope of this Statement as their contributions to the Group’s consolidated revenue for FYE 2025 were not material and their operational footprint during the reporting period was limited. The Group will reassess the reporting boundary annually and progressively expand coverage as these entities grow in significance.

Unless otherwise stated, the scope of this Statement covers the sustainability performance of Minho. EESG disclosures reflect activities undertaken at both the Company and Group levels.

About Minho (M) Berhad

Minho has established a diversified business portfolio across timber-related and non-timber manufacturing activities. The Group’s operations span kiln drying and chemical preservative treatment, manufacturing, exporting and trading of processed timber products, log supply and timber-related trading, operation of a fully integrated timber complex, as well as the manufacturing and distribution of industrial paper bags. These activities are organised under (3) three main operating divisions: Service & Treatment, Trading and Manufacturing.

The **Service & Treatment Division**, operated by **Syarikat Minho Kilning**, provides kiln drying and chemical impregnation services primarily for tropical hardwoods. The premises serve sawn timber exporters, where timber undergoes kiln drying, treatment, bundling and container stuffing before inspection by the Malaysian Timber Industry Board (“MTIB”) and export. Kiln drying involves the controlled application of heat and airflow to reduce moisture content in wood, helping to minimise defects such as warping and fungal growth, and to prepare timber for its intended applications.

The **Trading Division** consists of **Victory Enterprise**, **Costraco** and **Euro-CGA**, focusing on the marketing and export of processed timber products to both domestic and international markets. Victory Enterprise supplies medium-density sawn timber primarily to Germany. Costraco specialises in higher-quality sawn timber and serves customers across Europe, particularly in the Netherlands and Belgium, supplying a range of processed timber products across different market segments.

The **Manufacturing Division**, comprising **Indah Paper Industries**, is navigating a period of fundamental structural change as the historical linear model of take, make and dispose is being replaced by the regenerative principles of the circular economy. Within this global shift, Indah Paper Industries has emerged as a critical node in the supply chain for sustainable packaging solutions. This corporate identity is underpinned by technical proficiency, as evidenced by early adoption and continual upgrading to meet international standards and management system requirements.

Reporting Frameworks

This Statement has been prepared in accordance with sustainability reporting frameworks, including the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Sustainability Reporting Guide (3rd Edition) and the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia, forming the basis of the Group’s disclosures. This Statement is mapped to the United Nations Sustainable Development Goals (“UNSDGs”).

These frameworks guide the identification of material sustainability matters and the development of the Group’s sustainability strategies.

Reporting Limitations

The Statement may include forward-looking statements relating to Minho’s future plans, initiatives, and commitments, alongside information on current and past activities. While the Company believes that the expectations and assumptions reflected in these statements are reasonable, they do not constitute guarantees of future performance. These statements are intended solely to provide stakeholders with insight into the Group’s approach, direction, and context regarding key EESG matters.

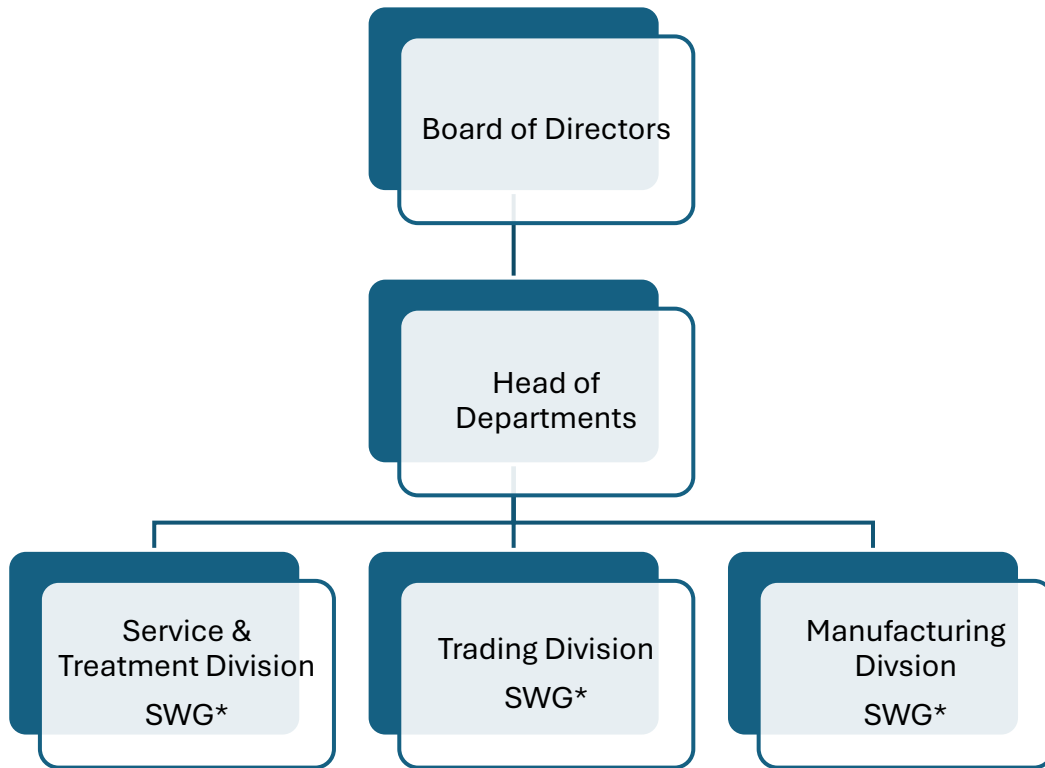
Assurance

For FYE 2025, selected disclosures within this Sustainability Statement were subjected to an internal assurance review to enhance the reliability of reported information. The scope of review covered 100% PEFC certification, Water Management, Energy Management, Scope 3 Business Travel, and Community Engagement.

Other disclosures contained in this Statement have not been subjected to external assurance for the reporting period. The Group may continue to review its assurance approach in line with reporting needs and business considerations.

Governance Structure

To systematically address the Group’s sustainability priorities and the increasing expectations related to EESG, Minho has established a structured governance framework to guide the oversight, coordination and execution of sustainability strategies and initiatives. This framework enables clear accountability across the Board, Management and operational levels, ensuring that sustainability considerations are consistently integrated into decision-making and business operations.



*Sustainable Working Group (“SWG”)

Board of Directors

The Board of Directors holds ultimate accountability for the Group’s sustainability governance. It approves the sustainability strategy, priorities and targets, and ensures that sustainability considerations, including climate-related matters, are incorporated into major business decisions, strategic planning and risk oversight.

Heads of Departments

The Heads of Departments (“HODs”) drive the day-to-day implementation of sustainability initiatives within their respective business units. They monitor performance against established targets and report progress to Management and the Audit and Risk Management Committee (“ARMC”) in accordance with the agreed reporting cadence.

Service & Treatment/ Trading / Manufacturing Division Sustainable Working Groups

Each division’s Sustainable Working Groups (“SWGs”) are responsible for executing Standard Operating Procedures (“SOPs”), data collection and internal controls at the plant and site level. They also ensure that sustainability-related issues, incidents and grievances are escalated through the defined reporting and grievance channels.

Stakeholder Engagement

The Group identifies and engages with relevant stakeholder groups in the course of its business operations, including employees, customers, suppliers, shareholders, regulators and the community. Stakeholder engagement is carried out through established communication channels to understand areas of interest related to the Group’s activities. Information gathered from these engagements is used to support the identification of material sustainability matters for reporting purposes.

The table below summarises the stakeholder groups, engagement approaches, key areas of interest and related material matters.

Stakeholder Group	Areas of Concern	Method of Engagement	Frequency of Engagement
Management	Directions for operations, profitability, sustainability, compliance, management, risk performance financial	Board meetings, quarterly reviews	Quarterly / Annually



Employees	Working conditions, health & safety, fair performance evaluation, employee benefits, training and development	Staff meetings, surveys, sessions, training	Monthly / Annually
Shareholders and Investors	Return on investment, profitability, financial reporting, governance transparency	Shareholder meetings, annual reports, financial statements	Annually / Quarterly
Customers	Product quality, pricing, safety standards, product availability, ethical sourcing	Social media engagement, feedback channels	Monthly / Quarterly
Suppliers	Payment terms, quality standards, delivery schedules, long-term partnership, compliance	Supplier meetings, regular quality checks, contract negotiations	Biannually / Annually
Government	Environmental impact, compliance, labour laws	Regulatory reporting, audits, inspections	Annually / As required
Local Communities	Employment opportunities, Environmental impact, local sourcing, contribution to local communities	Community meetings, corporate social responsibility (“CSR”) initiatives	Annually / As required

Material Matters

Minho conducted a materiality assessment to identify EESG matters that may directly or indirectly impact the Group’s ability to create long-term value for stakeholders. Building on the FYE 2023 and 2024 assessment, the FYE 2025 assessment was enhanced to reflect changes in the internal and external business environment, evolving stakeholder expectations and the growing global emphasis on sustainability disclosures. The scope

was expanded to cover the Group's consolidated entities and core business segments, supporting more comprehensive sustainability management and reporting.

Material matters were identified based on their significance to both the Group and its stakeholders through engagement with internal stakeholders across key functions and operations, including focus group discussions and management consultations. Sustainability related feedback received through various engagement channels during the reporting period was also reviewed and considered. The identified material matters were subsequently prioritised and validated to ensure relevance and alignment with the Group's long-term business strategy.

Selection of Key Sustainability Matters

1. Identification

Minho conducted a comprehensive review of its business operations and industry landscape to identify sustainability matters that are significant to the Group and the sectors in which it operates. The identification process incorporated stakeholder feedback obtained through ongoing engagement activities to better understand stakeholder expectations and concerns. Inputs were gathered from key internal stakeholders across core business segments and supported by desktop research, peer benchmarking, review of relevant domestic and international sustainability disclosure standards, analysis of global sustainability trends, industry practices, media coverage related to the Group, as well as sustainability-related feedback received during the reporting period.

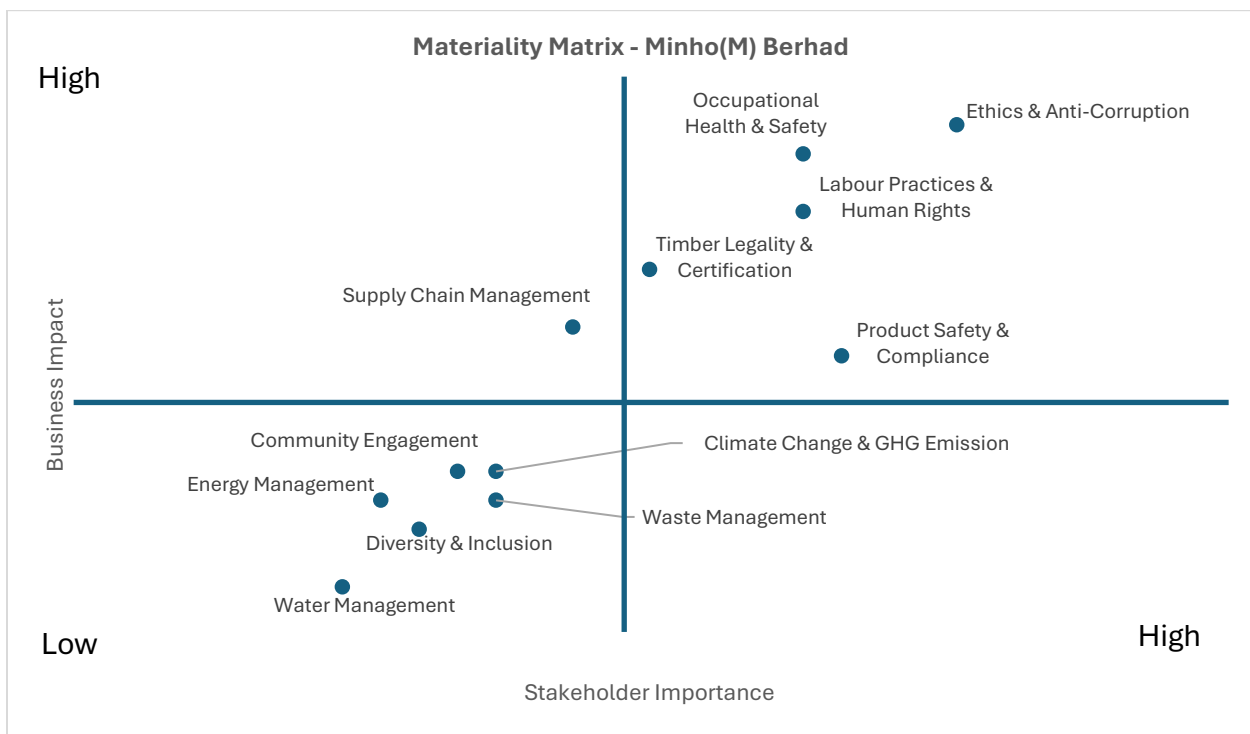
2. Prioritisation

Following the identification phase, an internal survey was distributed to key business divisions and core business segments to shortlist and prioritise material sustainability matters. The identified topics were assessed based on their potential impacts across the Group's EESG pillars, as well as their relevance to shareholders and other stakeholders. This prioritisation process enabled the Group to distinguish matters requiring immediate management attention from those of longer-term strategic importance. Consideration was also given to the potential financial implications associated with each material topic.

Based on this assessment, the Group prioritised five (5) key material matters: Ethics and Anti-Corruption, Occupational Health and Safety, Labour Practices and Human Rights, Product Safety and Compliance, and Timber Legality and Certification. These areas reflect the most significant sustainability risks and opportunities relevant to Minho's operations and value chain.

3. Validation

The outcomes of the prioritisation phase were reviewed and validated by the Management and subsequently approved by the Board to ensure alignment with Minho’s sustainability strategy and long-term business objectives. A total of twelve (12) material sustainability matters were identified and clustered to form the Group’s Sustainability Framework. The materiality matrix will be reviewed and updated periodically to reflect changes in the Group’s business environment and stakeholder expectations. The identified material matters will guide ongoing engagement with key stakeholders, including shareholders, employees, customers and business partners, and will be integrated into the Group’s EESG strategy and sustainability management processes for continuous improvement.



Material Matters

Sustainability Matters	Matter Description
ECONOMIC	
Product Safety and Compliance	Management of product safety and compliance with applicable regulatory requirements across the Group’s operations to support consistent product quality and safety, to secure customer trust and contribute to maintaining long-term market competitiveness.








Supply Chain Management	Management of supply chain practices across the Group’s operations, promoting ethical and sustainable practices throughout the value chain, with efforts to improve supply chain traceability and support local sourcing where applicable.
ENVIRONMENTAL	
Climate Change and GHG Emissions	Enhancing regulatory responsiveness by addressing climate-related physical and transition risks, monitoring greenhouse gas (“GHG”) emissions, and improving operational efficiency in support of long-term business sustainability.
Energy Management	Management of energy consumption to optimise energy utilisation and maximise energy efficiency. Reducing energy consumption, minimising resource use and reducing waste generation will improve our efficiency, which leads to GHG reduction.
Water Management and Effluents	Optimising water use and effluent management across business operations, with measures to control and reduce effluent and waste generation in compliance with applicable regulations. Water management practices include monitoring water consumption and managing water-related impacts in line with operational requirements.
Waste Management	Management of hazardous and non-hazardous waste to minimise environmental impacts. Waste-related practices include process improvements and initiatives aimed at reducing waste generation and improving resource use from waste, where applicable.
Timber Legality and Certification	Compliance with applicable forest laws, regulations and timber legality requirements, including adherence to relevant certification and verification systems, to support responsible forest governance and lawful timber sourcing.
SOCIAL	



Occupational and Safety	Health	Implementation of occupational safety and health measures and policies to ensure a safe and healthy working environment.
Community Engagement and Investment	and	Engagement with local communities and participation in community-related initiatives in areas where the Group operates, with the aim of supporting positive relationships and shared value creation.
Labour Practices and Human Rights	and	Practices that ensure fair compensation for equal work, support employee well-being and enhance workforce skills and competencies, while upholding human rights and labour standards and ensuring a discrimination-free workplace.
Diversity and Inclusion		Promotion of diversity, equity and inclusion across our organisation to ensure that every person is respected, feels a sense of belonging and can realise their potential through fair and transparent practices in recruitment, development, performance, reward and progression.
GOVERNANCE		
Ethics and Corruption	Anti-	Implementation of comprehensive frameworks and policies designed to prevent any corruption, bribery or fraud, ensuring fair and transparent corporate operations, minimising legal risks, and enhancing stakeholders' trust and the Group's corporate reputation.

Sustainability Framework

Minho’s Sustainability Framework is structured around EESG pillars which collectively guide the Group’s approach to managing sustainability impacts across its operations. These pillars are aligned with the UNSDGs to ensure that the Group’s initiatives support global sustainability priorities while remaining relevant to its core business activities.

UN SDGs	Relevant Targets	Description
	Increase substantially the share of renewable energy in the global energy mix.	By optimising energy consumption and improving energy efficiency across operations.
	Full and productive employment and decent work for all.	Through responsible labour practices, employee training, and sustainable business growth.
	Sustainable management and efficient use of natural resources.	Minimising operational footprint by monitoring initiatives for resource and production efficiency, including timber legality, waste management, product safety, and sustainable supply chain practices.
	Take urgent action to combat climate change and its impacts.	To reduce our operational carbon footprint by focusing on energy efficiency and exploring the expansion of operational efficiency.
	Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss.	Through responsible sourcing of timber, compliance with forest laws, and promotion of sustainable forestry practices.

Governance

Minho is committed to strengthening corporate value by building trust with stakeholders through a sound and transparent governance framework. In an evolving business environment, the Group focuses on maintaining stable and responsible growth through structured risk management practices that address both financial and non-financial risks.

This approach is supported by established compliance policies and procedures, alongside efforts to promote awareness and accountability across all levels of the organisation. Through ongoing training, clear codes of conduct and effective oversight mechanisms, Minho seeks to foster a culture of integrity, transparency and responsible business practices throughout its operations.

Anti-Bribery and Anti-Corruption

Minho adopts zero-tolerance approach towards bribery, fraud and all forms of unethical conduct. The Group encourages employees and external parties to report genuine concerns in good faith, with the assurance that such reports will be handled confidentially and without fear of retaliation.

The Whistleblowing Policy applies to all employees and extends to contractors, suppliers, customers and other stakeholders. Reportable concerns include breaches of laws and regulations, unethical or improper conduct, fraud, corruption, health and safety risks, environmental harm, abuse of power and the concealment of illegal activities. Oversight of the whistleblowing framework is provided by the ARMC, which ensures that all reports are assessed objectively, investigated fairly and that appropriate actions are taken. Reports may be submitted through the confidential channels specified in the Policy.

Economics

Minho's economic approach focuses on sustaining stable growth while delivering value to customers, employees, suppliers and the communities in which it operates. We emphasise operational efficiency, prudent cost management and responsible investment to support long-term business resilience.

Across its divisions, Minho focuses on maintaining product quality, reliable delivery and competitive pricing, while strengthening customer relationships and service capabilities. The Group also supports local economies through employment, procurement from regional suppliers and contributions to public revenue.

By aligning financial performance with responsible business practices, effective risk management and sound governance, Minho aims to maintain operational stability and support sustainable value creation for its stakeholders.

Product Safety and Compliance

Indah Paper: Pioneering Eco-Friendly Solutions through Integrity and Innovation



The manufacturing sector is currently navigating a period of fundamental structural change as the historical linear model of "take, make and dispose" is being systematically replaced by the regenerative principles of the circular economy. Within this global industrial shift, our subsidiary Indah Paper Industries has emerged as a critical node in the supply chain for sustainable packaging solutions.

As a primary manufacturer of multi-wall sack kraft paper bags based in Klang, Selangor, the organisation operates at the intersection of resource-intensive heavy industrial production and consumer-facing environmental responsibility.

This corporate identity is built on the foundation of technical proficiency, as evidenced by the early adoption and continuous upgrading of relevant compliances.

Indah Paper	Technical Detail
Primary Product	Multi-wall sack kraft paper bags
Market Segments	Cement, Building Material, Agriculture, Chemicals, Food, and others.



Sustainability Governance and Strategic Oversight

The integrity of a sustainability statement is determined by the robustness of the governance structure that oversees EESG risks. For the Industrial Paper Bags Division, governance extends beyond the compliance function and serves as a strategic management mechanism integrated into Minho’s broader corporate framework. The governance of sustainability is structured to ensure that ESG considerations are embedded at the highest levels of decision-making, in line with the recommendations of the Malaysian Code on Corporate Governance (“MCCG”) and the Bursa Malaysia Sustainability Reporting Guide.

Leadership Commitment and Accountability Structures

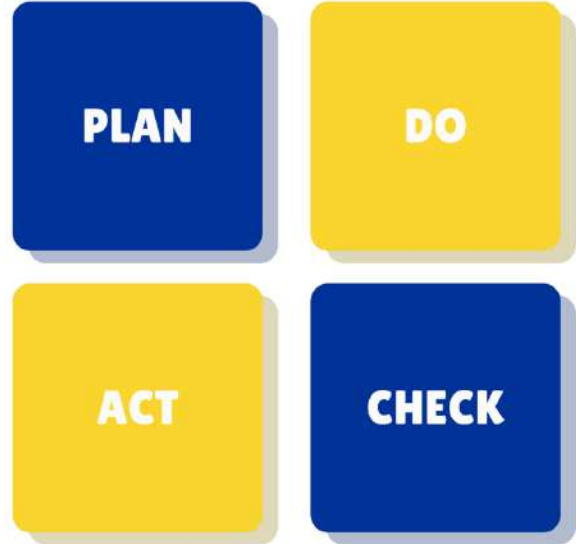
Sustainability oversight begins at the highest level of the governing body, with the Board of Directors maintaining ultimate oversight of the organisation’s sustainability strategy, providing the necessary resources and strategic direction to align the manufacturing processes with the organisation’s quality policy.

The Integrated Management System and Governance Process

Central to the organisation’s governance is the Integrated Management System (“IMS”) Manual, which outlines the scope, boundaries, and applicability of the food safety and sustainability management programmes. The IMS framework is built upon the Plan-Do-Check-Act (“PDCA”) methodology, facilitating continuous improvement in environmental stewardship and operational safety. This governance process involves regular monitoring,

evaluation of progress, and the presentation of sustainability data during annual Management Review Meetings (“MRM”), which typically involve top management and all HODs, covering critical inputs such as quality policy updates, key performance indicators (“KPI”) achievements, and the outcomes of materiality assessments.

The organisation’s transition to product safety initiative standards reflects a commitment to meet latest international standards for controlled manufacturing, where the system is audited annually by independent certification bodies to ensure that the facility continues to meet its specified objectives and regulatory obligations.



Nurturing a Product Safety and Quality Culture

In line with the international standards requirements, top management demonstrates active commitment to fostering a product safety and quality culture across the organisation.

The Manufacturing Division has established a dedicated Product Safety Culture Team and conducts annual surveys to evaluate employee feedback. Internal communication serves as the mechanism through which sustainability values are transmitted across the workforce, supported by weekly operational briefings and the display of policies at strategic locations.

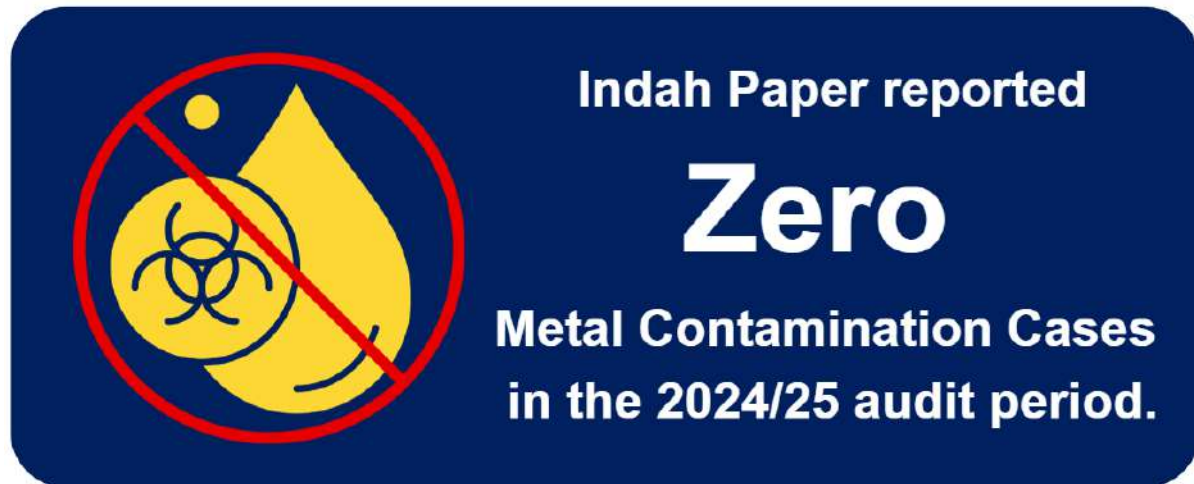
Culture Metric	2024 Evaluation	2025 Evaluation	Insight
Overall Score	Satisfactory	Satisfactory	Consistent alignment with values

The Management reviews these results to identify gaps and implement initiatives that reinforce hygiene and safety principles across the organisation.

Operational Integrity and Product Safety

As a provider for diverse industries, Indah Paper Industries ensures the integrity of its products at every stage of manufacturing. This is achieved through the implementation of

a comprehensive Product Safety Management System. Quality and sustainability are viewed as inextricably linked, with the Quality Management System (“QMS”) providing a framework for resource efficiency.



Hazard Analysis and Critical Control Points (“HACCP”)

The organisation has conducted an exhaustive HACCP study, evaluating biological, chemical, and physical hazards against a risk matrix of likelihood and severity. Critical Control Points (“CCP”) and Operational Prerequisite Programs have been systematically established to manage significant risks. These controls are governed by measurable and observable action criteria. The validation of these controls is documented through experimental studies. The organisation tracks specific metrics to ensure zero contamination of its products, achieving its target of zero metal contamination cases reported in the 2024/25 period.

Chemical Migration and Substrate Testing

Annual product analysis for overall migration is conducted as standard practice to ensure that no harmful substances transfer from the packaging. Samples are sent to accredited laboratories for testing against parameters confirming compliance with European and United States safety standards. External laboratory testing for microbiological and heavy metal parameters is conducted at least once a year, with recent results meeting all established benchmarks.

Traceability and Mock Recalls

Transparency and accountability are supported by a comprehensive identification and traceability system. The organisation practices comprehensive tracking control for every item from raw material to final delivery. This enables a “traceback to origin” capability, ensuring that in the event of a quality or sustainability issue, the source can be promptly

identified within the supply chain. The effectiveness of this system is tested annually through mock recall exercises.

Mock Recall Parameter	2024 Test	2025 Test
Completion Time	Less than 2 hours	Less than 2 hours
Outcome	Successful	Successful

Supply Chain Management

Sustainability extends beyond the Group’s walls to its network of external providers. Industrial Paper Bags Division manages its supply chain through a tiered assessment and auditing process, ensuring upstream accountability. The approach to supply chain management for each division is set out below.

Industrial Paper Bags Division: Responsible Supply Chain and Procurement

Sustainability extends beyond the organisation’s walls to its network of external providers. Indah Paper Industries manages its supply chain through a tiered assessment and auditing process, ensuring upstream accountability.

Supplier Evaluation and Risk Mitigation

The Purchasing Department maintains an Approved Vendor List (“AVL”) and evaluates the performance of all active suppliers every six (6) months. Evaluation criteria include delivery schedules, product quality, safety issues, and pricing policies. Suppliers are categorised based on risk, with key substrate providers rated as “low risk” based on historical performance and relevant certifications.

For high-impact materials, the organisation conducts onsite audits. This level of scrutiny protects the organisation from food fraud and environmental issues that may arise from irresponsible sourcing.

Ethical Fibre Procurement and Material Attributes

The Sustainability Accounting Standards Board (“SASB”) Standards for the Pulp & Paper and Containers & Packaging industries require the disclosure of the percentage of wood fibre procured from certified sources. The Industrial Paper Division ensures that its primary paper roll suppliers provide evidence of sustainable forest management

practices. The organisation avoids the use of substrates containing heavy metals or undeclared recycled materials through the verification of Certificates of Analysis for every incoming batch. It also promotes the use of paper sacks as an environmentally responsible packaging selection. Sustainable product design levers offered include optimising paper weight by using the thinnest possible paper that still meets the required strength and performance specifications.

FDA 21 CFR



FDA 21 CFR, or “Food Drug Administration’s Title 21 of the Code of Federal Regulations”, serves as the definitive legal framework established by the United States government to oversee the safety and quality of food. When a product is described as compliant with this standard, it means the manufacturer has adhered to a rigorous set of scientific guidelines designed to prevent contamination and ensure public health. For a company like Indah Paper Industries, this compliance specifically relates to the materials used in your paper sacks, ensuring that every layer of paper, adhesive, and ink is chemically stable and “food grade.” Essentially, it is a formal assurance that the packaging will not leach any harmful substances into the products inside, making it a critical requirement for any packaging used in food.



From Forest to Finished Board

Our Programme for the Endorsement of Forest Certification “PEFC”



Timber Legality and Certification

The Architecture of Chain of Custody Management Systems

The global forestry sector is currently navigating a significant regulatory transition following the introduction of the European Union Regulation on Deforestation-free Products (“EUDR”). To facilitate compliance for Chain of Custody (“CoC”) certified organisations, the Programme for the Endorsement of Forest Certification (“PEFC”) has developed the ST 2002-1:2024 standard. For a well-diversified conglomerate like Minho, through its key sourcing subsidiaries Euro CGA and Costraco, achieving 100% compliance with the PEFC ST 2002:2020 Chain of Custody standard in regard to PEFC clients. This represents a sophisticated integration of operational excellence and ethical stewardship.

To obtain PEFC EUDR status, an organisation must integrate a robust Due Diligence System (“DDS”) into its existing Chain of Custody management structure. Both Costraco and Euro-CGA have demonstrated a high level of readiness by establishing formal SOPs to govern their compliance activities. Notably, both entities updated their PEFC EUDR SOPs in FYE 2025 to align with the latest requirements. Their strategic approaches are

highly aligned, reflecting a broader industry response within the Malaysian timber sector to maintain access to the European market.

The scope of certification for both entities covers identical product groups:

Product Groups Covered	Description and Use
<p>Sawn Timber</p>	<p>Sawn timber (also known as sawn finish) refers to wood that has been cut from a log into specific dimensions, such as planks, beams, or boards. It is considered a primary processed material and is the raw stock used for further manufacturing.</p> <p>It is primarily used for structural framing, roof rafters, and instances where the wood will be hidden from view or where a rustic aesthetic is desired.</p>
<p>Moulding</p>	<p>Moulding is a collective term for decorative pieces of wood that have been machined into specific shapes or "profiles" to provide architectural features. Unlike sawn timber, moulding is a finished product that has been put through a moulding machine to achieve a smooth surface and precise contour.</p> <p>Mouldings are used both for aesthetic enhancement and functional purposes, such as concealing gaps and transitions where different surfaces meet (for example, where a wall meets the floor or a ceiling).</p>
<p>Decking</p>	<p>Decking is a flooring system designed for outdoor use, providing a flat surface capable of supporting weight. It is commonly used to create garden landscapes, patios, terraces, and walkways.</p>

	<p>It is frequently used to extend living areas outdoors and is valued for its durability and aesthetic appeal.</p>
<p>Glulam</p>	<p>Glulam, short for glued-laminated timber, is created by bonding multiple layers of dimension lumber together using durable, moisture-resistant adhesives. The grain of these individual laminations runs parallel to the length of the member to maximise strength.</p> <p>It is commonly used for beams, columns, and trusses, as well as window and door frames, in both residential and commercial buildings. Because it can be manufactured in very long lengths and even curved shapes.</p>

A cornerstone of the strategy for both Costraco and Euro-CGA is the exclusive use of **100% PEFC certified sawn timber** as input material. This sourcing choice is critical, as it provides a foundation for achieving a "negligible risk" classification during the mandatory risk assessment process.

Costraco and Euro-CGA
exclusive uses
**100% PEFC Certified
Sawn Timber**
as input material



Management System Requirements and Administrative Protocols

In adhering to the stringent PEFC ST 2002-1:2024 standard, several management systems are required to focus on long-term documentation retention, the designation of compliance officers, and the continuous evaluation of the system’s effectiveness.

Documentation and Record Keeping

One of the most stringent practices required for PEFC status is the commitment to long-term record keeping. Both Costraco and Euro-CGA have established protocols to retain all documentation related to their PEFC EUDR DDS for a minimum of (5) five years. This retention policy includes:

- Data collected during the information gathering phase;
- Risk assessment results and the justifications for risk classifications; and
- Records of any risk mitigation measures and the evidence of their implementation.

This five-year retention period allows for retrospective audits by the relevant authorities, including those with the European Union (“EU”) authorities where applicable.

Compliance Roles and Annual Reviews

The standard requires organisations to appoint a specific EUDR compliance officer. For both Costraco and Euro-CGA, this responsibility is embedded at the management level to ensure accountability.



Furthermore, both companies have committed to conducting an annual review of their PEFC EUDR DDS. These reviews are intended to incorporate new developments, such as updates to country risk levels assigned by the European Commission or new information regarding controversial sources.

Both companies verified this practice during their respective audits within the financial period, ensuring their internal procedures remain accurate.

The Three-Step Due Diligence Process

The core of the PEFC EUDR status is the implementation of a structured three-step process: information collection, risk assessment, and risk mitigation.



Step 1: Collection of Information

Information collection is a prerequisite for an effective risk assessment. Both Costraco and Euro-CGA collect supplier documentation specifying product quantities in cubic metres (m³) or tonnes, recorded alongside the applicable Harmonised System (“HS”) codes.

To comply with the EUDR, the organisations gather granular detailed data on the origin of the timber, including the full scientific names of tree species, the country of production, and geolocation coordinates for the specific plots of land where the timber was harvested. As exporters located outside the EU, both companies act as a vital link, ensuring this information is transmitted from forest managers to EU-based importers.

Step 2: Risk Assessment Methodology

The risk assessment phase determines whether there is a negligible risk that a product originates from controversial sources. Both organisations categorise their inputs into "referenced" and "non-referenced" material.

During the assessment process, both companies successfully classified their sample products as "negligible risk" by sourcing 100% PEFC certified inputs from Malaysian forest areas for our PEFC clients.



They analysed multiple risk factors, including:

- Deforestation Risk: Confirming harvesting occurred after the regulatory mandated timeline.
- Legality Risk: Evaluating compliance with the law and regulations of the country of production, regarding land use and labour rights.
- Mixing Risk: Ensuring certified material is not contaminated with unknown sources at the supply chain level.

Step 3: Risk Mitigation and Corrective Measures

If a risk assessment identifies a "significant risk," the organisation must adopt mitigation measures. While neither Costraco nor Euro-CGA had performed active mitigation by their audit dates, both have established clear protocols for such actions.

Both companies have implemented a structured approach to auditing, whereby the sample size is determined based on the number of high-risk supplies.

In addition, they maintain a tiered system for corrective actions, ranging from simple documentation requests for minor risks to the immediate cancellation of contracts for severe risks.

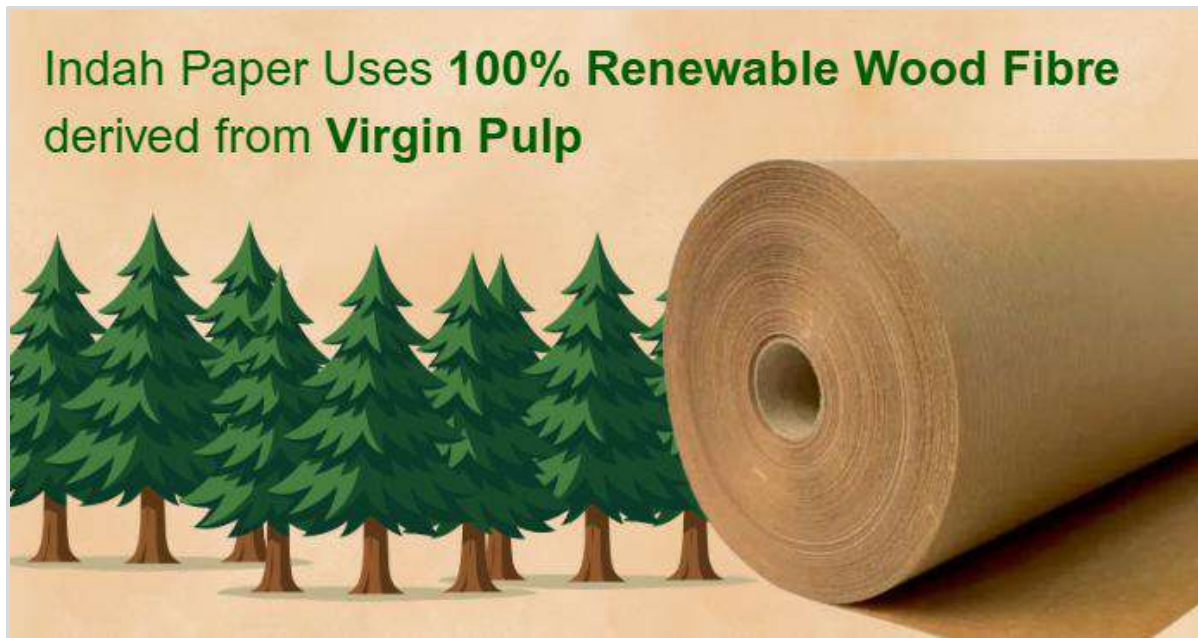
Handling Substantiated Concerns and Transparency

A critical practice for maintaining PEFC status is the ability to respond to external concerns regarding the legality of the supply chain. Both Costraco and Euro-CGA have established procedures to investigate "substantiated concerns" raised by third parties. The organisations have committed to investigating any such concern promptly.

The practices implemented by Costraco and Euro-CGA reflect a mature and synchronised approach to global timber regulation. By adopting the PEFC ST 2002-1:2024 standard and updating their SOPs in tandem, both companies have established comprehensive management systems that prioritise data transparency and rigorous risk management. Their commitment to 100% PEFC certified inputs for their PEFC client ensures they remain reliable suppliers, demonstrating that sustainability and regulatory alignment are central to the future of the timber trade for both organisations.

Materials Sourcing and Substrate Integrity

For Indah Paper, the priority is on 100% renewable wood fibre procured from certified sources, including some of the largest virgin sack kraft paper mills in the world, which provide declarations of compliance with the Industrial Paper Bags Division and maintain a steadfast commitment to global quality standards.



To be precise, our manufacturing process for paper sacks and industrial bags adheres strictly to U.S. FDA 21 CFR regulations, specifically Parts 176.170 and 176.180, which ensures that all materials in contact with food or pharmaceuticals are chemically safe and free from harmful migration. Simultaneously, our commitment to environmental stewardship is reflected in compliance with EU Directive 94/62/EC, where the sum of heavy metals in packaging is verified to remain below the 100 ppm threshold, ensuring our products are safe for the planet long after their primary use. By integrating these high standards, Industrial Paper Bags Division provides its global clientele with packaging solutions that prioritise both consumer health and ecological sustainability.

Materials are prioritised based on endorsements from PEFC or the Forest Stewardship Council ("FSC"). The organisation maintains a strict policy of using virgin pulp as raw material for the bags, rather than the use of recycled packaging as a direct input for food-grade paper bags to eliminate the risk of chemical or biological contamination. Instead, it focuses on the recyclability of the finished product, ensuring that the multi-wall bags are biodegradable and can be safely reintegrated into the circular economy after use.

Environmental

Environmental risks such as climate change, resource constraints and ecosystem degradation increasingly influence the operating environment. The Group manages environmental aspects by focusing on areas such as energy use and emissions, utilisation of wood residues, air and water quality management at its operating sites. These areas are addressed through existing operational controls, environmental management practices and internal monitoring.

Through ongoing management and periodic review of environmental performance, Minho seeks to better understand and manage its environmental impacts while supporting business continuity and stakeholder expectations.

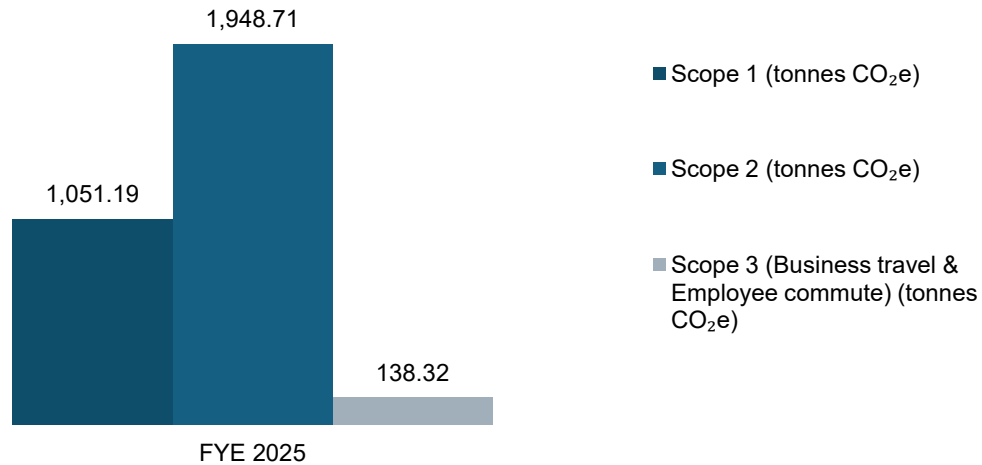
Climate Change

Emission Management

We quantitatively measure key environmental data, including carbon emissions and energy consumption to provide stakeholders with timely and trustworthy information and to guide operational decision-making. Building on this measurement foundation, Minho's approach to Emissions Management offers a comprehensive view of the Group's carbon footprint across Scope 1, Scope 2 and Scope 3 in line with leading practices.

In FYE 2025, Minho's total calculated greenhouse gas emissions were 3,138.22 tCO₂e, comprising Scope 1, Scope 2 and a limited portion of Scope 3 (business travel and employee commute). The profile shows that indirect electricity use (Scope 2) is the largest contributor, followed by direct fuel combustion (Scope 1), with measured Scope 3 currently representing a small proportion due to its partial boundary.

Emission Management



FYE 2025	
Scope 1 (tonnes CO ₂ e)	1,051.19
Scope 2 (tonnes CO ₂ e)	1,948.71
Scope 3 (Business travel & Employee commute)	138.32
Total Emissions (tonnes CO₂e)	3,138.22
Total Carbon Offset (Waste-to-Energy)	1,552.00

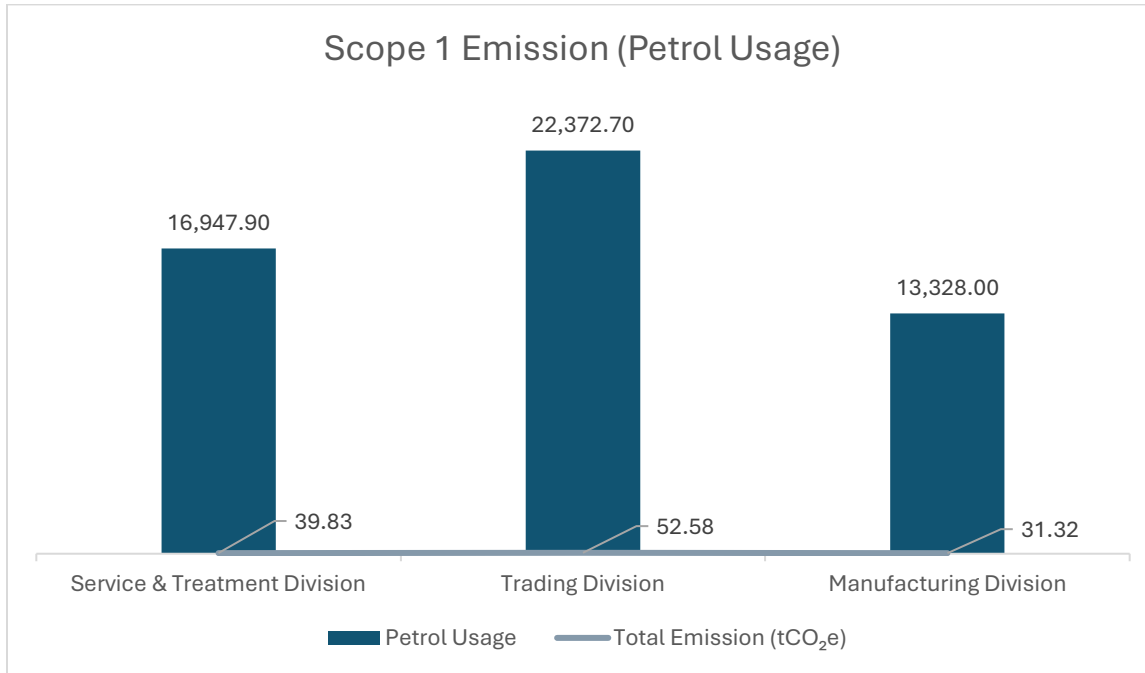
Scope 1 Emission

Scope 1 comprises direct greenhouse gas emissions from fuel burned in company-owned and company-controlled vehicles used across Minho's operations. For FYE 2025, the reported boundary covers petrol and diesel fuelled vehicles in the Service & Treatment, Trading and Manufacturing Divisions. Emissions are calculated by multiplying fuel consumption by recognised GHG emission factors; totals include CO₂, with CH₄ and N₂O converted to CO₂ equivalents.

Mobile Combustion

Petrol Usage

In FYE 2025, company vehicles used 52,648.6 litres of petrol and emitted 123.73 tCO₂e. Trading contributed 52.58 tCO₂e from 22,372.7 litres, Service & Treatment 39.83 tCO₂e from 16,947.9 litres, and Manufacturing 31.32 tCO₂e from 13,328.0 litres.



Division	Petrol Usage (litres)	Total Emission (tCO ₂ e)
Service & Treatment	16,947.9	39.83
Trading	22,372.7	52.58
Manufacturing	13,328.0	31.32
Total	52,648.6	123.73

The emission factors are based on industry standards as provided by UK Government GHG Conversion Factors for Company Reporting 2024

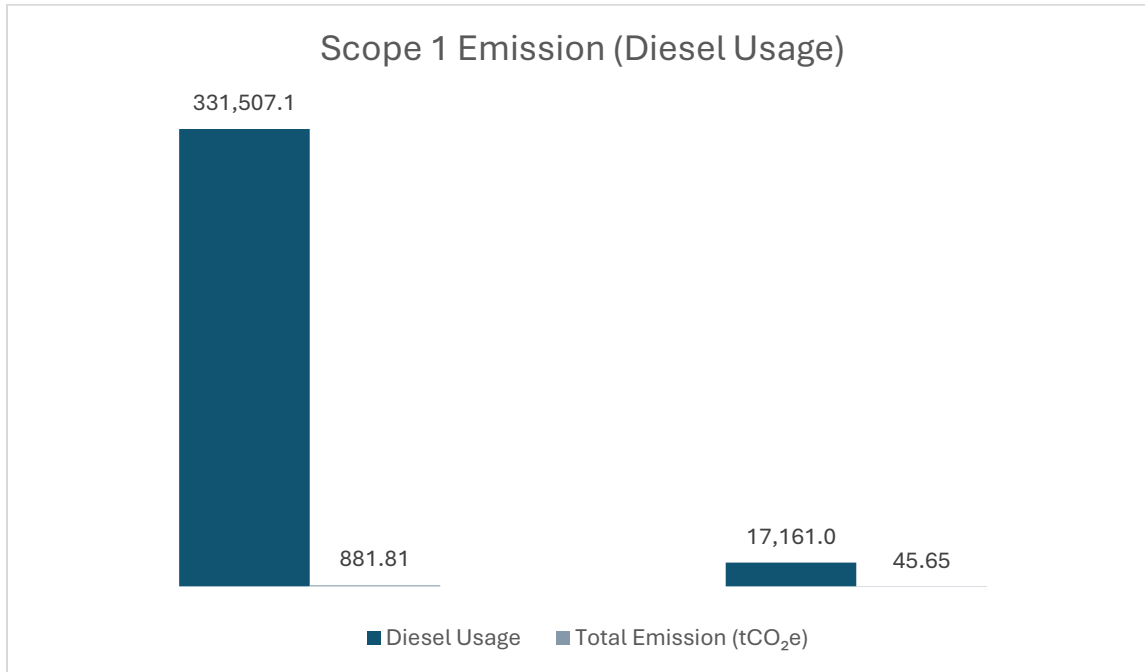
- Petrol: 2.35 kg CO₂ per litre

Diesel Usage

Diesel consumption and associated emissions are monitored as part of the Group's environmental performance tracking for operational activities.

For FYE 2025, Minho recorded a total diesel consumption of 348,668.1 litres, resulting in 927.46 tCO₂e. Diesel usage was primarily attributed to the Service & Treatment Division, which accounted for 331,507.1 litres and 881.81 tCO₂e, reflecting the fuel intensity of forestry and related operations. The Trading Division consumed 17,161.0 litres,

contributing 45.65 tCO₂e, while no diesel usage was reported for the Manufacturing Division during the reporting year.



Division	Diesel Usage (litres)	Total Emission (tCO ₂ e)
Service & Treatment	331,507.1	881.81
Trading	17,161.0	45.65
Manufacturing	-	-
Total	348,668.1	927.46

The emission factors are based on industry standards as provided by UK Government GHG Conversion Factors for Company Reporting 2024

- Diesel: 2.66 kg CO₂ per litre

Scope 2- Energy Management

Our Approach

To manage energy use and associated GHG emissions, the Group promotes energy efficiency across its operations and incorporates energy and cost-saving considerations into relevant departmental key performance indicators. Annual energy targets are set for divisions covered under the Energy Management Initiative, with progress monitored periodically. To strengthen climate resilience and operational efficiency, the Group continues to enhance its technological capabilities through process optimisation, the adoption of energy-efficient technologies, and other continuous improvement measures. Renewable energy options are considered where feasible, in line with industry trends and national energy transition efforts.

Energy Management and Technical Innovation

Energy consumption is a material topic for any manufacturing entity, requiring significant electricity for high-speed machinery and heat for drying processes. Indah Paper has historically operated with manual processes but is increasingly investing in high-efficiency technology.

The Sustainability Accounting Standard Board (“SASB”) Containers & Packaging standards recommend tracking total energy consumption and the percentage of grid versus renewable energy. While the Group currently relies on the municipal grid, its move toward the latest-generation machinery aligns with the objective of reducing energy intensity and minimising carbon emissions. The Management monitors energy performance through weekly operation briefings and integrates efficiency targets into the annual management review. The Group has initiated several energy-saving measures, including the replacement of conventional lighting with LED lighting and the systematic maintenance of electrical motors to ensure high operational efficiency.

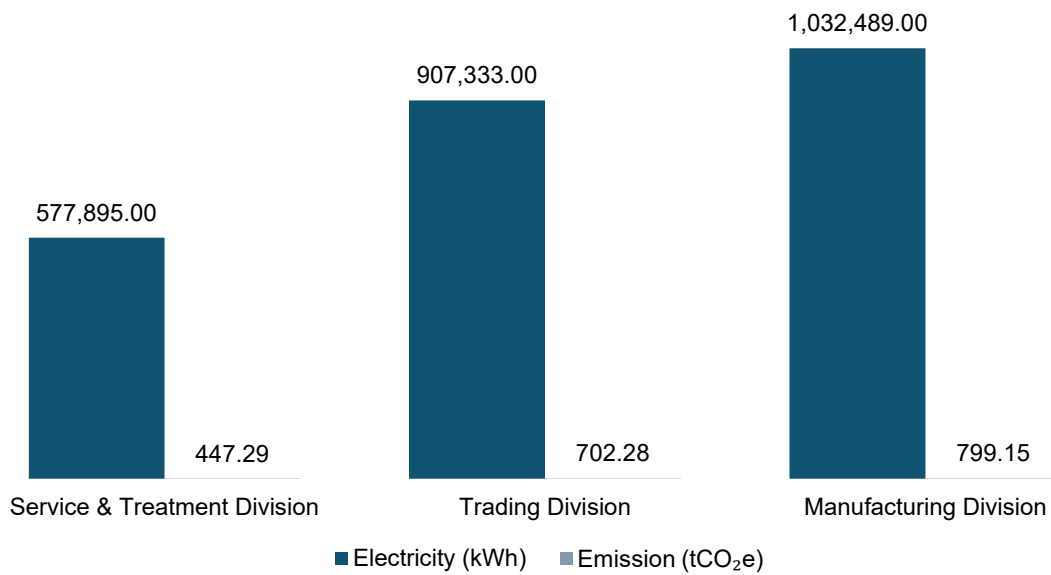
Energy Management Initiative	Objective and Expected Outcome
LED Lighting Retrofit	Reducing facility energy consumption by utilising high-efficiency fixtures
Preventive Maintenance	Extending the life of refiner blades and steam pipe insulation to prevent energy loss
Process Optimisation	Standardising setup procedures to reduce non-value-add machine run time
Adoption of new processing machinery	Strategic investment in capacity and resource efficiency

Our Performance

The Group consumed 3,287.3 MWh of electricity in FYE 2024 and 2,517.7 MWh in FYE 2025, representing a reduction of 769.6 MWh or 23.4% year-on-year. FYE 2025 electricity consumption resulted in 1,948.71 tCO₂e under Scope 2.

Electricity usage in FYE 2025 was mainly contributed by the Manufacturing Division at 1,032,489 kWh, followed by the Trading Division at 907,333 kWh and the Service & Treatment Division at 577,895 kWh. The overall decrease reflects lower electricity usage across the Group’s operating divisions during the reporting period.

Scope 2 Emission (Electricity Usage)



Division	Electricity Usage (kWh)	Total Emission (tCO ₂ e)
Service & Treatment	577,895	447.29
Trading	907,333	702.28
Manufacturing	1,032,489	799.15
Total	2,517,717	1,948.71

The emission factors are based on industry standards as provided by MGTC [Peninsular Malaysia’s Electricity: 0.774 kg CO₂-eq per kWh

Scope 3 Management

In FYE 2025, the Group enhanced its Scope 3 reporting for business travel (Category 3.6) and employee commuting (Category 3.7) by expanding coverage to all operating divisions.

Category 3.6 Business Travel

This category covers journeys undertaken by employees for work using transport that is not owned or controlled by the Group. The reporting boundary includes international air travel, hired road transport such as taxis and ride-hailing services, and private vehicles across all operating divisions.

Emissions are calculated using activity data obtained from travel providers and internal claims and converted using recognised emission factors based on travel mode and class. During FYE 2025, the Group improved data completeness by consolidating divisional records into a single monthly reporting process and standardising emission factors across transport modes to ensure consistency.

For FYE 2025, total business travel distance recorded was **86,335 km**, resulting in 5.95 tonnes of CO₂e. Travel activity were primarily recorded within the Trading Division, with limited flight-related travel reported by the Manufacturing Division, while no business travel was recorded for the Service & Treatment Division during the year.

Division	Transport Type	Total Distance Travelled (km)	Total Emission (tCO ₂ e)
Service & Treatment	Car	-	-
Trading	Car	14,377	2.37
	Flight	61,392	2.78
Manufacturing	Flight	10,566	0.80
Total		86,335	5.95

The emission factors are based on industry standards as provided by UK Government GHG Conversion Factors for Company Reporting 2023 and ICAO carbon emissions calculator:

- Petrol Car :0.1645 kg CO₂-eq per km

Category 3.7 Employee Commuting

During the reporting period, total commuting distance amounted to 768,243.20 km, generating 132.37 tCO₂e.

Private car usage represents the dominant source of commuting emissions, accounting for over 90% of total employee commuting emissions. Motorcycle usage contributes a comparatively smaller proportion, while walking and cycling remain low-carbon commuting options with no direct emissions impact.

Division	Transport Type	Total Distance Travelled (km)	Total Emission (tCO ₂ e)
Service & Treatment	Car	156,316.2	25.71
	Motorcycle	86,142.0	9.79
Trading	Car	431,515.6	85.47
	Motorcycle	5400.0	0.61
	Walking/Cycling	19,611.6	-
Manufacturing	Car	58,129.0	9.66
	Motorcycle	9,985.0	1.13
	Walking	1,143.8	-
	Total	768,243.20	132.37

The emission factors are based on industry standards as provided by UK Government GHG Conversion Factors for Company Reporting 2023:

- Petrol Car : 0.1645 kg CO₂-eq per km
- Diesel Car : 0.1698 kg CO₂-eq per km
- Motorcycle : 0.11367 kg CO₂-eq per km

Water Management

Our Approach

Minho manages water use across its operating sites with attention to efficient consumption, reuse opportunities and the protection of water quality from source to discharge. The Group monitors water intake and consumption by source, applies closed-loop cooling systems where feasible, and carries out routine maintenance and leak repairs to minimise losses.

At the Manufacturing facility, rainwater harvested from roof catchment areas is used for roof surface cooling. This reduces reliance on potable water and helps to moderate heat gain into the building. The initiative also supports on site stormwater management by capturing and storing rainwater, which helps to reduce peak runoff during periods of heavy rainfall. The paper bag manufacturing process at the Klang facility is characterised as a "dry process," significantly reducing the organisation's water footprint compared to traditional pulp mills. Water is primarily used for general cleaning, staff facilities, and the firefighting system. The organisation utilises municipal water provided by Air Selangor.

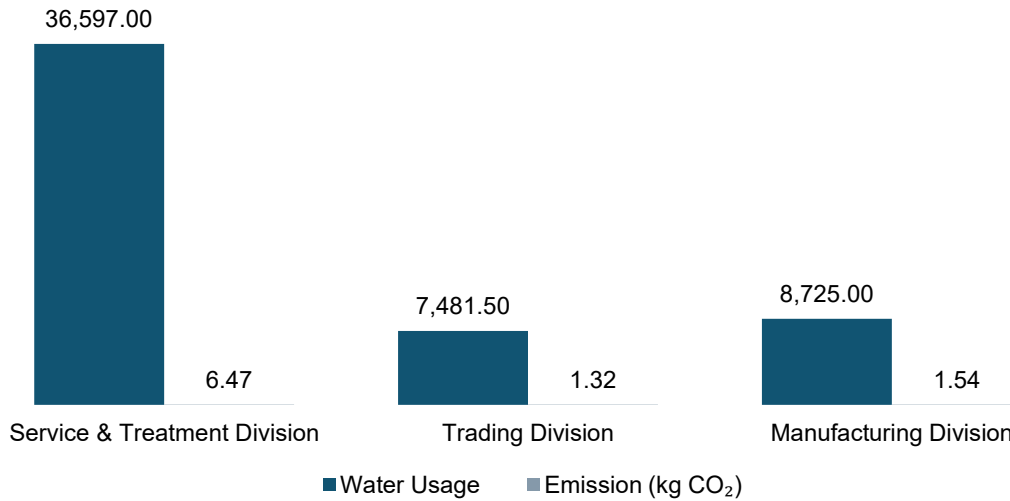
GRI 303 guidelines on water and effluents are addressed through the prevention of runoff and the maintenance of an enclosed drainage system for non-production areas. The organisation ensures that any effluent discharged meets or exceeds statutory requirements for water quality, specifically tracking Chemical Oxygen Demand ("COD") levels.

Our Performance

In FYE 2025, the Group consumed 52,803.5 m³ of water, generating 9.33 tCO₂e associated with water usage. Usage was led by the Service & Treatment Division at 36,597.0 m³, representing approximately 69.3% of total water consumption, followed by the Manufacturing Division at 8,725.0 m³ and the Trading Division at 7,481.5 m³.

Compared with the FYE 2024 average annual consumption of 79,303.0 m³, total water use decreased by 26,499.5 m³, representing a 33.4% year-on-year reduction.

Water Usage



Division	Water Usage (m ³)	Total Emission (tCO ₂ e)
Service & Treatment	36,597.0	6.47
Trading	7,481.5	1.32
Manufacturing	8,725.0	1.54
Total	52,803.5	9.33

The emission factors are based on industry standard as provided by UK Government GHG Conversion Factors for Company Reporting 2023 [Water: 0.176685 kg CO₂ per m³]

Waste Management

Our Approach

Minho manages waste in accordance with the Environmental Quality Act and its subsidiary regulations. At Indah Paper, we adopt the Certified Environmental Professionals in Scheduled Waste Management to oversee these processes, in compliance with the legal obligations set forth in Section 49A of the EQA 1974. For hazardous or toxic waste (B3 waste), such as certain industrial chemicals or inks, the Group follows strict disposal protocols in compliance with Malaysian environmental laws. Paper scraps are collected and sent for recycling, where they are processed into paperboard or lower-grade paper products.

Regulatory Guideline	Indah Implementation	Paper	Compliance Evidence
Storage Duration (<180 days)	Timely removal by licensed contractors		Waste manifests / inventory logs
Storage Quantity (<20 tonnes)	High-frequency removal (monthly)		Scheduled waste reports
Personnel Competency	Employment of CePSWaM certified staff		Training certificates and reports
Secondary Containment	Sump-graded concrete storage floors		Infrastructure inspections

Our Performance

In FYE 2025, the Group generated 14.97 tonnes of general waste, while 258.48 tonnes of materials were diverted through recycling initiatives at selected sites. Scheduled wastes, including SW204, SW409, SW410 and other industrial waste streams, totalled 20.27 tonnes and were managed in accordance with regulatory requirements through proper storage, handling and disposal by licensed contractors.

Waste Category	Waste Type	Quantity
General Waste	General waste	14.97 tonnes
Recycled Waste	Recyclables collected	258.48 tonnes
Scheduled Waste	SW204	8.23 tonnes
	SW409	1.12 tonnes
	SW410	1.95 tonnes
	Industrial waste	8.97 tonnes
	Total Scheduled Waste	20.27 tonnes



Strategic Biomass Cogeneration and Waste-to-Energy Integration

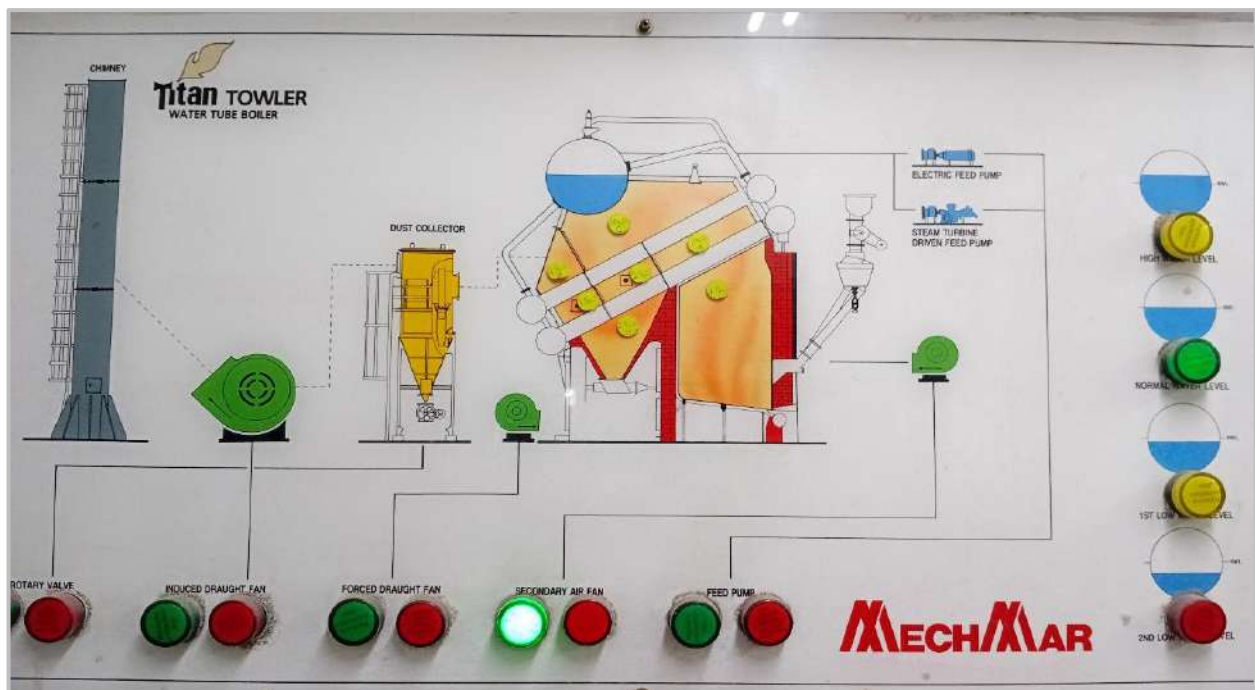
The integration of advanced biomass-fired thermal systems within the industrial landscape represents a pivotal shift toward sustainable resource management and energy autonomy. At the forefront of this transition, Minho utilises high-pressure water tube boilers, such as the Mechmar Titan Towler series, as the primary energy conversion interface for transforming wood waste into high-enthalpy steam.

This steam is subsequently utilised through a cogeneration (Combined Heat and Power, or CHP) framework to drive electrical generation via steam turbines and provide essential process heat for industrial timber drying, colloquially referred to as "kilning".

Thermodynamic Foundations and Operational Efficiency

The operational efficiency of the Mechmar Titan Towler system is governed by the rigorous principles of the Rankine cycle. In this closed-loop system, wood residuals (comprising woodchips and wood dust) are combusted to release chemical energy. This energy is transferred to water circulating within high-pressure tubes through a four-stage process:

- **Compression:** Liquid feedwater is pushed into the boiler at high pressure.
- **Evaporation:** Burning wood chips heats the water until it reaches a superheated steam state.
- **Expansion:** The high-pressure steam spins a turbine to generate renewable electricity.
- **Condensation:** The "exhausted" steam is cooled back into liquid or redirected for process heating before returning to the pump.



The use of superheated steam is a critical sustainability factor; it ensures that no liquid droplets enter the steam turbine, preventing erosion of the turbine blades and maintaining peak mechanical efficiency over a long operational lifecycle.

Engineering Excellence in Waste-to-Energy (WTE)

Minho exemplifies the industrial application of biomass waste-to-energy. The Titan BD line is specifically engineered for the rigours of solid waste firing, utilising natural circulation driven by density differentials to prevent localised overheating. The waste to energy approach supports sustainable resource management by diverting diverse biomass waste from landfills. It also leverages the natural biogenic carbon cycle. As trees and palm plants grow, they absorb carbon dioxide from the atmosphere. Burning this biomass simply returns that exact same carbon to the environment meaning no new ancient carbon is added to the atmosphere. Because of this natural recycling the mixed fuel is treated as highly sustainable allowing the facility to significantly reduce its reliance on conventional fossil fuels from the national power grid.

During the 2025 operational year, the (2) two primary steam turbines generated an estimated combined total of 2,035,000 kwh of electricity. To understand the environmental benefit of this generation, a carbon avoidance calculation was performed. If this identical amount of electricity had been drawn directly from the Peninsular Malaysia power grid, it would have resulted in approximately 1,575.09 tonnes of CO₂e. In contrast, the controlled combustion of the biomass fuel released approximately 23 tonnes of CO₂e, which falls under scope 1. Consequently, the facility successfully achieved a net carbon avoidance of 1,551.7 tonnes of CO₂e for FYE 2025.

Methodologies

The methodology used to calculate this carbon avoidance compares the baseline emissions of the national grid against the actual direct emissions of the onsite boilers. The baseline calculation utilises the official 2022 Grid Emission Factor for Peninsular Malaysia published by the Energy Commission which stands at 0.774 kg of carbon dioxide equivalent per kilowatt hour. In the absence of primary testing data for the specific boilers and the specific blend of palm oil fibres and wood waste facility emissions are calculated using secondary international data, specifically the United Kingdom Government Greenhouse Gas Conversion Factors for Company Reporting. The exact published emission factor for wood chips used in this calculation is 0.01150 kg of carbon dioxide equivalent per kilowatt hour.

This specific figure accounts for the trace amounts of methane and nitrous oxide released during combustion as global accounting standards dictate that the bulk biogenic carbon dioxide from agricultural and wood biomass is categorised separately. The total net avoidance is derived by subtracting these trace facility emissions from the theoretical grid emissions.

Emission factor of Biomass (Wood Chips) 0.0115 kg of CO₂e per kWh from wood chips burnt is based on Department for Environment, Food and Rural Affairs (“DEFRA”) and Department for Energy Security and Net Zero (2025). UK Government GHG Conversion Factors for Company Reporting. [online] London: UK Government.

Key Assumptions and Judgements

Evaluating the total electricity generated required specific engineering judgements to interpret the daily operational log sheets. The cumulative energy meters installed on the turbines utilise a multiplier effect, which is a standard practice in industrial electrical metering. By comparing the recorded instantaneous kilowatt load against the operational running hours, it was conclusively determined that the raw meter readings must be multiplied by 100 to yield the actual output in kilowatt hours. Furthermore, an extrapolation method was applied to one of the two turbines. As the exact starting meter reading on the first day of the year was unavailable for this specific unit, its annual output was estimated based on its verified daily production average over a continuously documented 105-day period.

Limitations

While these figures present a highly accurate reflection of the environmental benefits achieved certain limitations must be acknowledged. The primary data source relies on manual transcriptions from daily operational log sheets which inherently carry a minor risk of administrative error. Additionally extrapolating the annual generation for the second turbine assumes a relatively consistent rate of operational uptime and fuel efficiency. In practice, power generation may fluctuate due to routine maintenance schedules varying moisture content within the mixed fuel of palm oil fibres and wood waste and shifting demands from the drying kilns. Reliance on generic international secondary emission factors for a highly specific local fuel blend may also introduces a margin of estimation.

Regulatory Compliance and Maintenance Protocols

The Group adhere strictly to the Malaysian Environmental Quality Act 1974 (“EQA”) and the Environmental Quality (Clean Air) Regulation 2014. To manage fly ash, we employ mechanical multi-cyclone dust collectors that use centrifugal force to remove particulate matter (PM) before flue gases reach the chimney. Our maintenance protocols, including automated water treatment and low-water cut-off safety systems, ensure the integrity of high-pressure infrastructure. This technical maturity, combined with our abundant wood residuals, ensures that biomass-fired cogeneration remains the cornerstone of our regional energy transition and sustainability mission.

Social

Minho is committed to respecting the human rights of its employees and stakeholders, and to fostering a corporate culture grounded in fairness, respect and inclusion. The Group seeks to uphold diversity, equity and inclusion by promoting equal opportunity, mutual respect and non-discriminatory practices across its operations. We are dedicated to providing a safe and healthy working environment and to safeguarding the wellbeing of employees and local communities through practical policies, procedures and on-site practices. These include occupational health and safety measures, training, and clear response mechanisms for incidents or concerns. Recognising that environmental and social issues extend beyond our direct operations. This approach helps address shared risks within the value chain and reinforces our commitment to ethical, responsible and sustainable business conduct.

Diversity & Inclusion

Our Approach

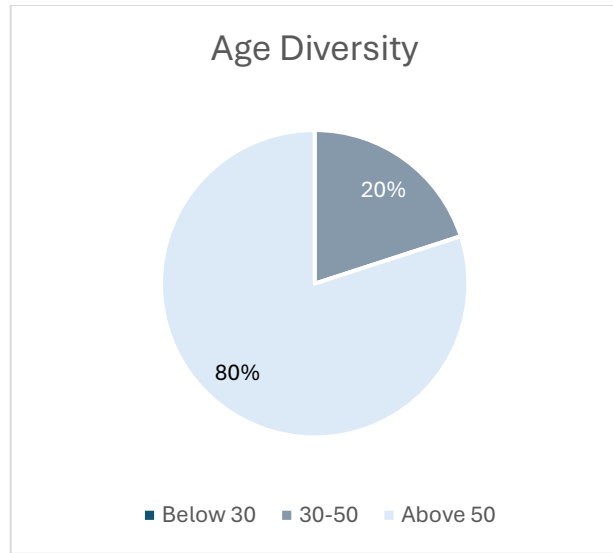
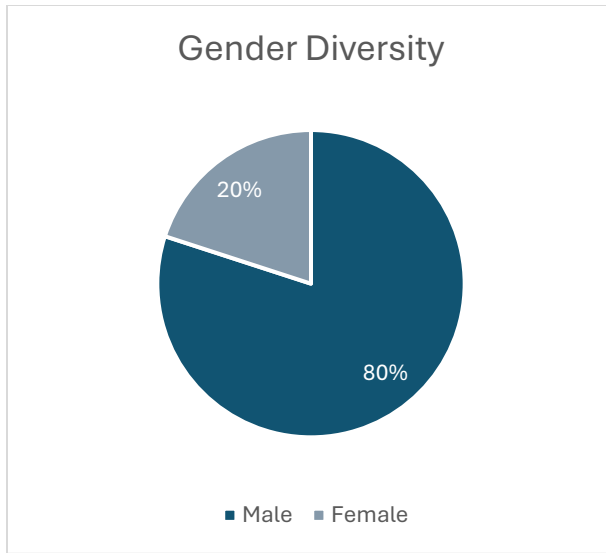
Minho is committed to embedding diversity, equity and inclusion (“DEI”) in our organisation so that every employee feels recognised, has a genuine sense of belonging and is able to realise their full potential. We value different backgrounds, experiences and perspectives, and promote fair and transparent practices across recruitment, development, performance, remuneration and progression to remove barriers and expand opportunities. We foster a respectful and safe workplace that rejects discrimination, encourages open dialogue and allyship, and supports flexible and accessible ways of working. Through training, inclusive leadership, employee voice and clear goals with regular reporting, we hold ourselves accountable for progress, recognising that inclusion strengthens our people and decision-making

.Our Performance

Board Diversity

As of FYE 2025, our Board comprised (5) five directors, with 20% female and 80% male representation. In terms of age profile, 80% of directors were above 50 years old, 20% were between 30 and 50 years old, and none were below 30 years old.

The Group will continue to enhance its board diversity pipeline through the use of a skills and diversity matrix, broader candidate slates and strengthened succession planning, with the aim of achieving a more balanced and well-rounded Board that reflects a range of skills, experience, backgrounds and perspectives.



Gender Diversity	Male	4
	Female	1
Age Diversity	Below 30	0
	30-50	1
	Above 50	4

Total Employee

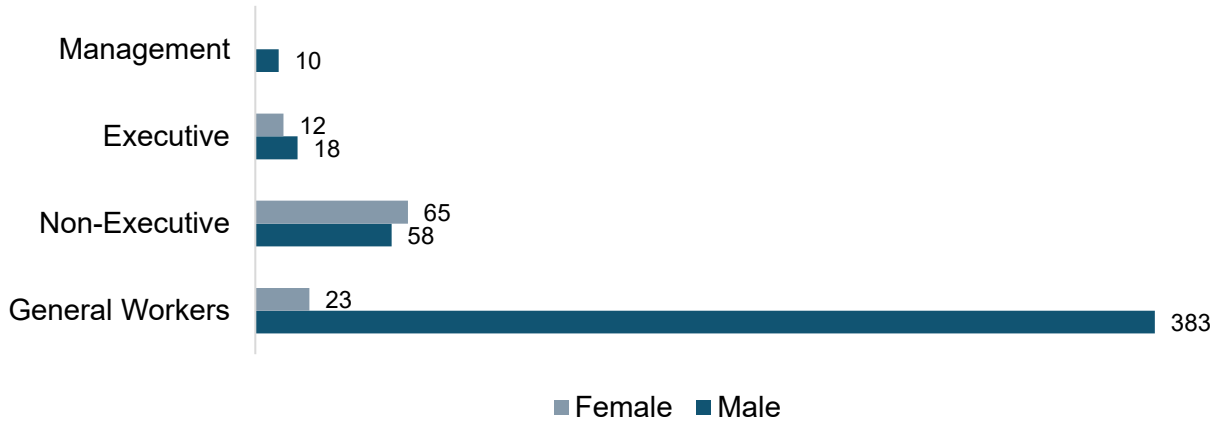
As at FYE 2025, the Group employed a total of 569 employees, compared to 597 in FYE 2024. The change in workforce size reflects normal business movements during the year, including operational adjustments and employee turnover across divisions. The Group continues to focus on maintaining an appropriately sized workforce to support safe, efficient and reliable operations.

Year	Total Number of Workforces
FYE 2024	597
FYE 2025	569

Gender Diversity

In FYE 2025, the Group’s workforce composition reflects the operational nature of its activities, with a higher proportion of male employees, particularly in general worker roles. Female representation remains stronger in executive and non-executive categories. The Group continues to provide equal employment opportunities and fair treatment across all roles.

Gender Diversity

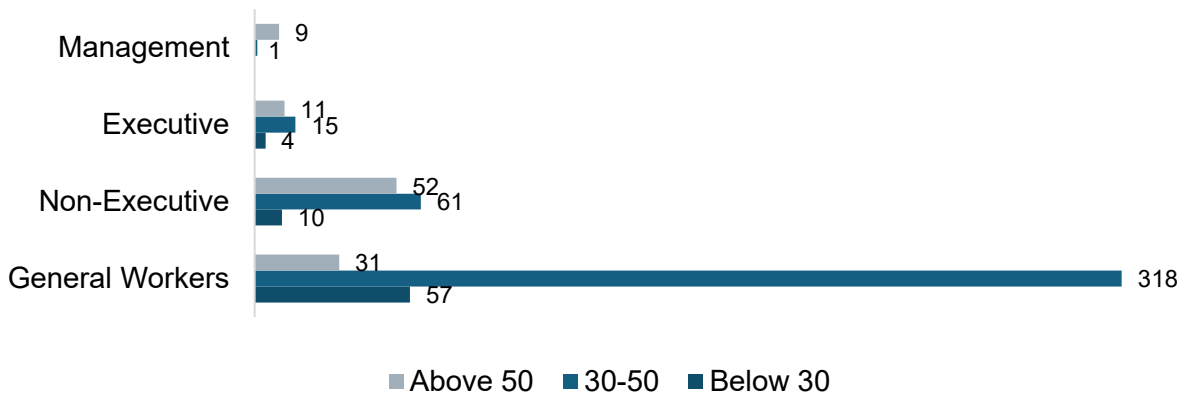


FYE 2025	Male	Female
Management	10	0
Executive	18	12
Non-Executive	58	65
General Workers	383	23

Age Diversity

The Group’s workforce is primarily concentrated in the 30–50 age group across most employment categories, reflecting a stable and experienced employee base. Senior management positions are largely held by employees above 50 years old, providing continuity, institutional knowledge and leadership experience.

Age Diversity



FYE 2025	Below 30	30-50	Above 50
Management	0	1	9
Executive	4	15	11

Non-Executive	10	61	52
General Workers	57	318	31

Employee Turnover

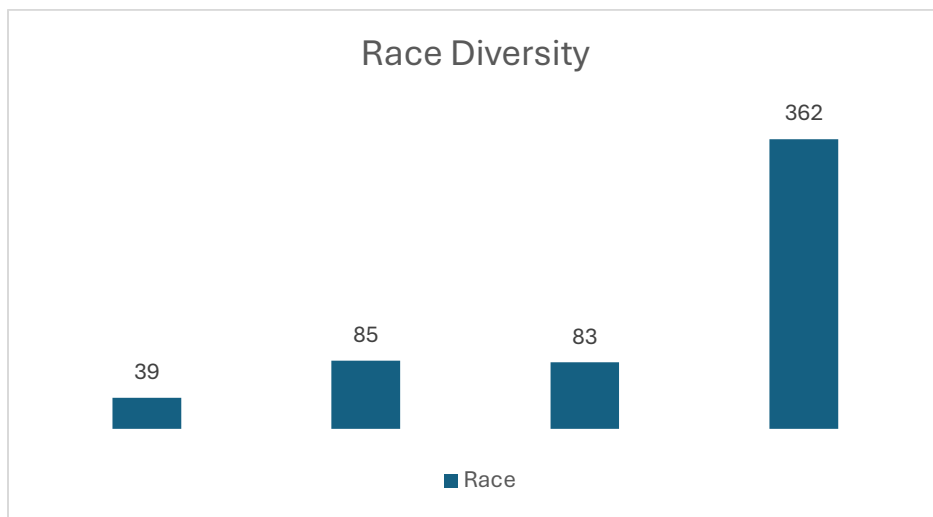
Employee turnover during the year was mainly observed among general workers and non-executive roles, which is typical for operational and labour-intensive functions. Turnover at the Management and executive levels remained low, supporting stability in leadership and key functions across the Group.

Year	Management	Executive	Non-Executive	General Worker
FYE 2025	1	0	8	42

Race and Ethnicity

Minho believes that a culture which respects every individual’s experience and background enables employees to think flexibly, develop better insights and bring their full talents to work. The Group supports the diverse preferences and choices of all employees and does not tolerate discrimination. All employees are encouraged to recognise and respect differences, contribute as their true selves and collaborate to deliver creative, innovative outcomes across our operations.

In FYE 2025, our workforce’s racial diversity consists of 6.9 % Malay, 14.9 % Chinese, 14.6 % and 63.6 % others, reflecting the broad mix of people who power our business.

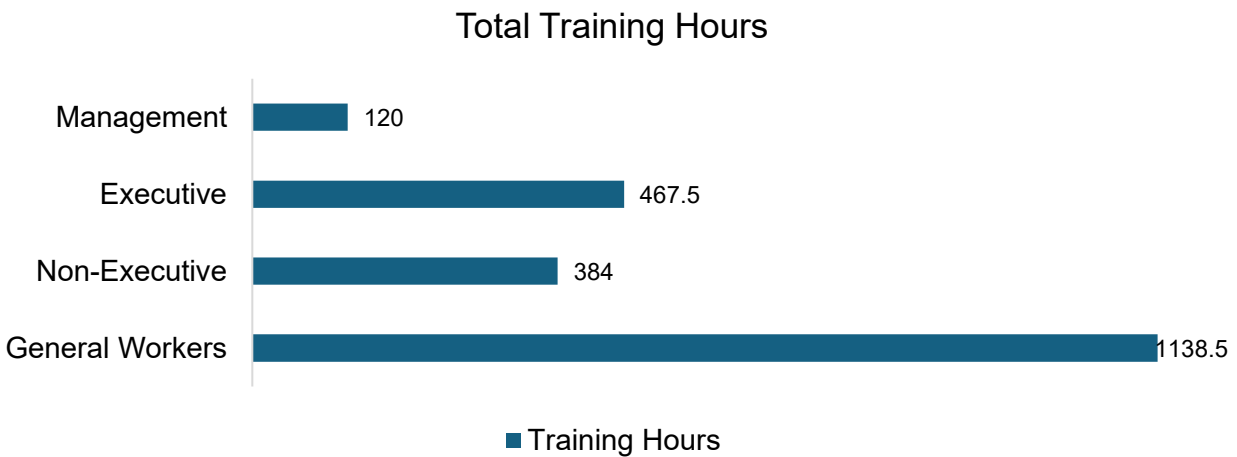


Year	Malay	Chinese	Indian	Others
FYE 2025	39	85	83	362

Our Performance

Minho provides regular training across all categories of employees to strengthen the knowledge, skills and behaviours required to support safe operations, ethical conduct and responsible business practices. Training programmes cover core topics such as occupational safety and health, ethics and code of conduct, anti-bribery and corruption, whistleblowing awareness, environmental management, resource efficiency and regulatory compliance. Delivery is structured through induction programmes, periodic refreshers and role-specific training for higher-risk functions. Attendance and completion are monitored at the site level, and training content is reviewed and updated to reflect changes in operational risks, regulatory requirements and business needs.

Training Hours by Employee Category



Year	Management	Executive	Non-Executive	General Worker
FYE 2025	120	467.5	384	1138.5

Service & Treatment Division

In FYE 2025, the Service & Treatment Division conducted training programmes covering Introduction to ESG and TCFD, ESG metrics and reporting, sustainability frameworks and strategies, and anti-bribery and anti-corruption. These sessions were designed to strengthen understanding of sustainability principles, reporting expectations and ethical business conduct across all employee categories. During the year, a total of 504 training hours were recorded in the Division, comprising 120 hours for Management, 184 hours for Executives, 80 hours for Non-Executives and 120 hours for General Workers. The programmes support consistent awareness of ESG responsibilities and reinforce ethical and operational standards across the division.

Year	Management	Executive	Non-Executive	General Worker
FYE 2025	120	184	80	120

Trading Division

In FYE 2025, the Trading Division delivered training programmes on the PEFC Chain-of-Custody system, Introduction to ESG and TCFD, ESG metrics and reporting, the TCFD framework and recommendations, GRI indicators and performance measures, as well as anti-bribery and anti-corruption. These sessions aimed to strengthen employees' understanding of responsible sourcing, sustainability disclosures and ethical business practices relevant to trading operations. During the year, the division recorded a total of 140 training hours, all of which were completed by Executive-level employees. The training supports greater awareness of ESG requirements and reinforces responsible conduct across the division's activities.

Year	Management	Executive	Non-Executive	General Worker
FYE 2025	0	140	0	0

Manufacturing Division

In FYE 2025, the Manufacturing Division conducted training programmes covering quality management, operational procedures and environmental, health and safety practices, in line with the requirements of paper-based packaging operations. The programmes were designed to reinforce compliance with product safety standards, quality controls, safe equipment handling, chemical management and emergency preparedness, while supporting consistent application of procedures across production activities.

During the year, the division recorded a total of 1,466 training hours, comprising 143.5 hours for Executive staff, 304 hours for Non-Executive employees and 1,018.5 hours for General Workers. These efforts helped strengthen operational discipline, safety awareness and compliance with relevant standards across the division.

Year	Management	Executive	Non-Executive	General Worker
FYE 2025	0	143.5	304	1018.5

Occupational Health and Safety

Minho places strong emphasis on occupational health and safety and promotes leadership in safety management across all operations. Our approach is guided by the Occupational Safety and Health Act 1994 (“OSHA”), Malaysia’s primary legislation for safeguarding employee safety, health and welfare, which provides the framework for identifying, managing and reducing workplace hazards through shared responsibilities between employers and employees.

We cultivate a proactive safety culture by equipping employees with practical skills, clear procedures and visible leadership support. Safety training is tailored to site-specific risks and job roles, with focus areas including emergency preparedness, safe equipment and vehicle handling, chemical risk management and day-to-day hazard awareness. Regular safety briefings and drills provide platforms to discuss key safety issues, reinforce safe behaviours and encourage employees to take ownership of on-site safety management.

Our Performance

In FYE 2025, the Group delivered a total of 1,250 safety training hours to 320 employees across its operations. Attendance and competency sign-offs were recorded at the site level, and follow-up actions arising from drills and practical sessions were tracked to completion. During the year, Minho recorded a Lost Time Incident Rate of zero and no fatalities.

These programmes support improved emergency response readiness, safer material handling and vehicle operations, stronger chemical control practices and heightened safety awareness on the shop floor. Through continued safety education, information sharing and adherence to OSHA requirements, Minho aims to sustain safe, healthy and compliant workplaces while minimising the risk of occupational incidents.

Year	Lost Time Incident Rate (“LTIR”)	Fatalities
FYE 2025	0	0

Programmes delivered in FYE 2025

- Fire drill**
 Reinforce emergency readiness by practising a full evacuation, testing alarms and routes, verifying headcount accuracy at assembly points, and capturing lessons learned so that response times improve and critical roles such as wardens and first aiders act decisively during real incidents.

- **Forklift safety handling**
Prevent vehicle-related injuries and property damage by strengthening operator competence in pre-use inspection, load stability, speed control, pedestrian zoning, battery or refuelling safety, and clear communication between drivers and ground staff.
- **Emergency Response Team training**
Build a confident first-response capability that can stabilise incidents quickly by clarifying roles and command structure, sharpening communications, practising triage and basic first aid, and coordinating with external responders when escalation is required.
- **Chemical spillage response training**
Protect people and the environment by teaching employees to recognise chemical hazards, read safety data sheets, deploy spill kits, contain and neutralise releases, select the right personal protective equipment, and label and store contaminated materials for compliant disposal.
- **OSH coordinator training**
Strengthen shopfloor leadership by equipping coordinators with knowledge of legal duties, hazard identification, routine inspections, permit controls, incident notification and -follow-through- on corrective actions, so small issues are resolved before they become incidents.
- **Fire safety training**
Reduce fire risk and improve first response by reinforcing ignition source control, safe housekeeping, segregation of combustibles, alarm recognition and practical extinguisher use so that employees can act quickly and safely at the earliest stage of a fire.
- **Safety awareness and fire extinguisher monitoring**
Maintain daily vigilance and equipment readiness through regular toolbox talks, visual checks, tagging and pressure verification, prompt rectification of defects and removal of obstructions, ensuring extinguishers and related signage are always ready for use.

Year	Total number of safety training hours	Number of Employees Trained
FYE 2025	1250	320

Community Engagement & Investment

In FYE 2025, the Group made a RM200 donation to *Berita Kesatuan Pekerja Bomba* in support of community needs. This contribution forms part of the Group's ongoing community support efforts. All community contributions are reviewed in accordance with internal guidelines, recorded for transparency, and made without any political affiliation or expectation of commercial return.

Moving Forward

As operations evolve across kiln drying, moulding and paper-based packaging, the Group continues to emphasise customer experience through value-added services, enhanced traceability and quality visibility, and the application of process and energy controls that support efficient and reliable production.

EESG is integrated into the Group's business systems. For the environment, efforts align with key priorities such as emissions management in operations, the utilisation of wood residues and recycled inputs where suitable, and the deployment of cleaner air and energy systems. For people, priorities reflect a Decent Workplace and Diversity and Inclusion, with continued attention to health and safety, respectful workplaces and accessibility in products and services.

Responsible supply chains remain a core part of the operating model. Timber legality and sustainability due diligence, supplier codes of conduct, screening processes, and targeted audits for higher-risk tiers form part of ongoing oversight, supported by whistleblowing and anti-bribery frameworks. Across these areas, the Group focuses on quality, resilience and trust, using service innovation, digital capabilities, and disciplined environmental and social practices to guide decisions in day-to-day operations and corporate reporting.

Looking ahead, the Group aims to strengthen quality, resilience and trust by aligning service innovation with digital and clean-process improvements, while continuing to embed EESG considerations into daily operations. Through these efforts, Minho seeks to deliver long-term value for customers, employees, communities and the environment.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Emissions Management	Scope 1 Emission	tCO ₂ e	1051.19	-	No assurance
Emissions Management	Scope 2 Emission	tCO ₂ e	1948.71	-	Internal
Energy Management	Total Energy Consumption	MWh	2517.7	-	Internal
Board Diversity	Board of Director - below 30 year old	Percentage	0	-	No assurance
Board Diversity	Board of Director - 30 to 50 year old	Percentage	20	-	No assurance
Board Diversity	Board of Director - above 50 year old	Percentage	80	-	No assurance
Board Diversity	Board of Director - male	Percentage	80	-	No assurance
Board Diversity	Board of Director - female	Percentage	20	-	No assurance
Employee Diversity	Management - Below 30 years old	Number	0	-	No assurance
Employee Diversity	Management - 30 to 50 years old	Number	1	-	No assurance
Employee Diversity	Management - above 50 years old	Number	9	-	No assurance
Employee Diversity	Executive - Below 30 years old	Number	4	-	No assurance
Employee Diversity	Executive - 30 to 50 years old	Number	15	-	No assurance
Employee Diversity	Executive - Above 50 years old	Number	11	-	No assurance
Employee Diversity	Non-executive - Below 30 years old	Number	10	-	No assurance
Employee Diversity	Non-Executive - 30 to 50 years old	Number	61	-	No assurance
Employee Diversity	Non-Executive - Above 50 years old	Number	52	-	No assurance
Employee Diversity	General Worker - Below 30 years old	Number	57	-	No assurance
Employee Diversity	General Worker - 30 to 50 years old	Number	318	-	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Employee Diversity	General Worker - Above 50 years old	Number	31	-	No assurance
Employee Diversity	Management - Male	Number	10	-	No assurance
Employee Diversity	Management - Female	Number	0	-	No assurance
Employee Diversity	Executive - Male	Number	18	-	No assurance
Employee Diversity	Executive - Female	Number	12	-	No assurance
Employee Diversity	Non-Executive - Male	Number	58	-	No assurance
Employee Diversity	Non-Executive - Female	Number	65	-	No assurance
Employee Diversity	General Worker - Male	Number	383	-	No assurance
Employee Diversity	General Worker - Female	Number	23	-	No assurance
Labour Practices	Management - total training hours	Hours	120	-	No assurance
Labour Practices	Executive - total training hours	Hours	4675	-	No assurance
Labour Practices	Non-Executive -total training hours	Hours	384	-	No assurance
Labour Practices	General Worker -total training hours	Hours	1138.5	-	No assurance
Labour Practices	Management - Total number of employee turnover	Number	1	-	No assurance
Labour Practices	Executive - Total number of employee turnover	Number	0	-	No assurance
Labour Practices	Non-Executive - Total number of employee turnover	Number	8	-	No assurance
Labour Practices	General Worker - Total number of employee turnover	Number	42	-	No assurance
Labour Practices	Number of substantiated complaints concerning human rights violations	Number	0	-	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Health and Safety	Number of employees trained on health and safety	Number	320	-	No assurance
Health and Safety	Number of work-related fatalities	Number	0	-	No assurance
Health and Safety	Lost Time Incident Rate	Rate	0	-	No assurance
Data Privacy	Number of substantiated on data breach	Number	0	-	No assurance
Anti-Corruption	Confirmed incidents of corruption and action taken	Number	0	-	No assurance
Anti-Corruption	Employees who have received training on anti-corruption	Number	8	-	No assurance
Anti-Corruption	Operations assessed for corruption-related risks	Percentage	0	-	No assurance
Community/Society	Total amount invested in the community	Ringgit Malaysia	200	-	Internal
Community/Society	Total number of beneficiaries of the investment in communities	Number	1	-	Internal

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Corporate Governance Overview Statement

The Board of Directors of Minho (M) Berhad (“**Minho**” or “**the Company**”) (“**the Board**”) is pleased to present an overview of the Group’s corporate governance practices, which summarise the Group’s application of the Principles and Recommendations of the Malaysian Code on Corporate Governance (“**MCCG**”) throughout the financial year ended 31 December 2025 (“**FY 2025**”).

This Corporate Governance Overview Statement (“**Statement**”) is prepared in compliance with Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**MMLR**”) and it is to be read together with the Corporate Governance Report 2025 of the Company (“**CG Report**”) which can be found on the Company’s website at www.minhomalaysia.com. The CG Report provides details of the Company’s application and departures, including alternative practices of the principles and recommendations of MCCG.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Balance

The Board is a synergy of dynamic and experienced individuals from various sectors which reflect many years’ of experience in logging, manufacturing, services, financial, legal and corporate affairs. The profiles of Directors are set out in this Annual Report. Currently, there are three (3) Independent Non-Executive Directors which form more than one-third of the Board thus ensuring that minority shareholders’ interests are adequately represented. The Board is satisfied with its current composition which fairly reflects the interests of minority shareholders in the Company.

Roles and responsibilities of the Board

The Board is primarily responsible for the long-term value creation for its shareholders and all stakeholders. The duties and responsibilities of the Board, including reviewing and adopting the Group’s overall strategic plans, annual budget, setting up policies for the business and governance of the Group, proper succession planning as well as shareholders communication policy, and maintaining the practices of high standards of ethics and corporate behaviour of the Group. Further, the Board also oversees the Group’s business performance, review the Group’s management information system and internal control system, and to maintain proper risk management system.

The Board has established the Board Committees, namely the Audit and Risk Management Committee (“**ARMC**”), Nomination and Remuneration Committee (“**NRC**”) and Executive Committee (“**EXCO**”) in carrying out the Board’s duties and responsibilities. These Board Committees operate under their respective clearly defined Terms of References (“**TOR**”) as approved by the Board and to deal with specific areas that are delegated and authorised by the Board. These TORs of ARMC, NRC and EXCO are reviewed periodically to reflect changes in compliance and regulatory framework as well as streamline the committee structures. All TORs of ARMC, NRC and EXCO are available at the Company’s website at www.minhomalaysia.com.

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Chairman of the Board

The Chairman of the Board is responsible to:-

- provide leadership and run the Board effectively in all aspects of its roles with the assistance of the Board Committees and the management;
- chair and ensure the efficient organization and conduct of the Board and/or shareholders' functions and meetings;
- facilitate the effective contributions of all Directors and senior management personnel; and
- promote high standard of integrity, probity and corporate governance in the Group.

Responsibilities of the Chairman and Managing Director ("MD")

The Chairman holds an executive position. He leads the Board and manages the interface between the Board and Management. He is also responsible for ensuring the orderly conduct and effective functioning of the Board. The Company currently does not have a MD. The Executive Director ("ED") is responsible for the day-to-day operations of the Group, whereby operational issues are discussed, major transactions and matters relating to the Group are reviewed and operational strategies are formulated.

The roles and responsibilities of the Executive Chairman and ED are separate, distinctive and have been clearly segregated to further enhance and preserve a balance of authority and accountability to avoid unfettered powers of decision-making. The ED will assist the Executive Chairman in ensuring the effectiveness of the implementation of Board strategies, making operational decisions and monitoring the day-to-day management of the Group, including defining the authority limits of Management's responsibilities.

In view that the Chairman assumes the executive role and to better safeguard the interests of our stakeholders, the Board is balanced by having a majority of Independent Non-Executive Directors ("INED") on the Board to foster greater objectivity in the Boardroom.

The Chairman must not be a member of any Board Committee to ensure there is proper check and balance as well as objective review by the Board. The Board acknowledges that having the same person assume the positions of Chairman of the Board and Chairman of the Board Committees gives rise to the risk of self-review and may impair the objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the Board Committees.

Role of the Executive Director

The ED is responsible for the day-to-day operation and management of the entire Group and its businesses and implementation of the Board's policies and decisions. Each ED is accountable to the Board for all the decisions and activities relating to all matters affecting the operations, management, performance, business strategies, staffing and for the procedures in financial and other matters including conduct and discipline; except for matters reserved for the Board's approval.

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Role of the Independent Directors

Our Independent Directors are responsible in providing impartial and objective views, consideration, advice, judgement and ensures that discretion exercised by the Board in decision making remain objective and independent, whilst ensuring the interest of the Company is protected and the interest of other parties such as minority shareholders are addressed and adequately protected as well as being accorded with due consideration. The Independent Directors provide a check and balance to the Board's decisions and strategies.

Role of the Company Secretary

Our Company Secretary is responsible for ensuring that all the Company's statutory records are properly maintained at the registered office and, all relevant reports and data are filed accordingly. The Company Secretary plays a key role in advising the Board on matters relating to legislation, regulation, directors' responsibilities, obligations and duties to Bursa Securities, restrictions and disclosures, corporate governance and other secretarial matters.

The Board is supported by a suitably qualified Company Secretary who provides advisory services, particularly on applicable governance best practices, corporate administration and Board processes to facilitate overall compliance with the MCCG, Companies Act 2016 and applicable laws and regulations. All Directors have unrestricted access to the advice and services of the Company Secretary when necessary. The Company Secretary attends all Board and Board Committee meetings to witness and ensure that meeting agendas are properly convened and accurately recorded.

Board Meetings and Time Commitment

The Board ordinarily meets at least four (4) times a year at quarterly intervals with additional meetings convened when necessary to deal with important and urgent matters that requires the attention and/or approval of the Board.

Five (5) Board meetings were held during FY 2025. Based on the attendance by Directors who held office during FY 2025, the Board is satisfied with the level of time commitment of the Directors towards fulfilling their roles and responsibilities as Directors. The record of attendance of the Directors at Board meetings and various Board Committees meetings for FY 2025 is disclosed in the table below:-

Directors	Board Meeting	ARMC Meeting	NRC Meeting
Dato' Loo Keng An @ Lee Kim An	5/5	-	-
Loo Say Leng	5/5	-	-
Lim Kim Meng	5/5	6/6	3/3
Haji Mohd Faizal Bin Haji Abdul Majid	5/5	6/6	3/3
Jeannie Lim Li Tein	5/5	6/6	3/3

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

All the Directors do not hold directorships more than that prescribed under the MMLR.

All the Directors attended more than the minimum 50% of Board meetings held during FY 2025 as stipulated under Paragraph 15.05 of the MMLR. Additionally, in between Board meetings, the Directors also approved various matters requiring the sanction of the Board by way of circular resolutions supported with relevant information and explanations to form the basis of the decision. This information enabled the Board to make informed decisions. All circular resolutions approved by the Board are tabled for notation at the subsequent Board meeting.

If a Director has a conflict of interest in a matter to be considered by the Board, which the Board has determined to be material, the matter will be dealt with at a Board meeting rather than a written resolution. All Directors facing conflicts of interest will recuse themselves from discussions and decisions involving the issues of conflict, and shall abstain from voting as Directors on the relevant matters.

Supply of Information

All Directors receive relevant board papers prior to Board meetings, and these include agenda for the Board meetings, minutes of the last Board meeting, minutes of all Board Committees' meetings held between the Board meetings, quarterly financial results of the Group and other documents pertaining to matters to be discussed at the meeting. All Board members may, either as a full Board or individually, seek independent professional advice in the furtherance of their duties at the Company's expense.

Code of Conduct

The Board has adopted a Code of Conduct ("Code") for the Directors of the Company. This Code covers a range of best business practices and procedures and requires all Directors to observe high ethical business standards, and to apply these values to all aspects of the Group's business behaviour and to act in the best interests of the Group and its shareholders. The Code is available on the Company's website at www.minhomalaysia.com.

Anti-Bribery and Whistleblowing Policy

The Company has also established and adopted an Anti-Bribery and Whistleblowing Policy for the Group to provide a clear line of communication and reporting channels for employees at all levels to disclose any unethical behaviour or malpractices as well as to govern the prevention of corruption and unethical practices in accordance with Section 17A of the Malaysia Anti-Corruption Commission Act (Amendment 2018). The Anti-Bribery and Whistleblowing Policy is available on the Company's website at www.minhomalaysia.com.

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Charter

The Board has adopted a Board Charter which clearly defines the roles, functions, composition and operation of the Board. The Board Charter is intended to ensure that all the Board members acting on behalf of the Company are fully aware of their obligation in discharging their duties and responsibilities to the Company.

The Board Charter is reviewed and updated periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. The Board Charter is available on the Company's website at www.minhomalaysia.com.

Board Composition

The current Board comprises five (5) Directors, out of which, one (1) Executive Chairman, one (1) ED and three (3) Independent Non-Executive Directors. The Board is of the opinion that the composition of the current Board has the required mix of skills and experience required to discharge the Board's duties and responsibilities. Collectively, the Directors combine their diverse commercial, regulatory, industry and financial experience to add value to the Board as a whole.

As at 31 December 2025, the Board's diversity is as follows:

Gender Diversity			Ethnicity Diversity			Age Diversity			Tenure of Directorships		
	Number	%		Number	%		Number	%		Number	%
Male	4	80	Malay	1	20	Below 60 years	4	80	Below 12 years	3	60
Female	1	20	Chinese	4	80	Above 60 years	1	20	Above 12 years	2	40

The Board acknowledges the recommendation of MCCG in relation to the establishment of Board room gender diversity policy. In the process of selection of Board members, the Company practices non-discrimination in any form, whether based on gender, age, ethnicity or religion as all candidates shall be given fair and square opportunity. When the need arises, the Board would give more weightage on the appointment of female directors and senior management.

EXCO

The EXCO comprises the Executive Chairman, EDs and key senior management of the subsidiary companies. The ED is responsible for the day-to-day management of the Group's operations and business as well as implementation of the Board's policies and decisions. He is assisted by the managers and senior executives of the subsidiary companies. A total of five (5) EXCO meetings were held during FY 2025, where there were a number of new proposals/businesses were studied by the EXCO. The EXCO also received quarterly updates from the respective head of divisions as well as reviewing the Group's capital expenditures, banking facilities, inventories and debtors.

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

NRC

The NRC comprises three (3) members all of whom are Independent Non-Executive Directors as follows:-

Name	Directorship	Designation
Lim Kim Meng	Independent Non-Executive Director	Chairman
Tuan Haji Mohd Faizal Bin Haji Abdul Majid	Independent Non-Executive Director	Member
Jeannie Lim Li Tein	Independent Non-Executive Director	Member

The NRC is responsible for the nomination and election process of new directors and evaluate the balance of skills, knowledge, experience and diversity of the Board. In light of this evaluation, prepares a description of the role and capabilities required for a particular appointment. The NRC also assist the Board to assess the remuneration of the EDs of the Company. The TOR of NRC is available on the Company's website at www.minhomalaysia.com.

Prior to the appointment of a director, the proposed appointee shall be required to disclose any other business interests that may result in a conflict of interest in relation to the Company, and shall be required to report any future business interests which may develop post-appointment, that could result in a conflict of interest. Conflict of interest should be avoided to prevent potential damage to personal and the Group's interest and reputation.

The NRC also assessed the independence of the Independent Non-Executive Directors of the Company based on the criteria for an independent director as prescribed in the MMLR and also monitor their tenure. Currently, none of the Independent Non-Executive Directors of the Company has served the Board for a cumulative term of more than nine (9) years.

During FY 2025, the NRC discharged their functions and duties appropriately, summarised as follows:-

- (a) reviewed the present Board composition and made recommendation to the Board as regards to any changes be beneficial to the Company;
- (b) reviewed and recommended the composition of Board Committees in order to comply with MCCG;
- (c) assessed and evaluated the performance and effectiveness of the Board as a whole, Board Committees as well as individual Directors;
- (d) reviewed the terms of office of the ARMC;
- (e) assessed the independence of the Independent Non-Executive Directors of the Company. There must be no potential conflict of interest that the Independent Directors can have with the Company as they had not entered into any contract or transaction with the Company and/or its subsidiaries within the scope and meaning as set forth under Paragraph 5 of Practice Note 13 of the MMLR;
- (f) reviewed and recommended to the Board, the remuneration of ED of the Company; and
- (g) reviewed, deliberated and recommended to the Board for the Directors' fees and benefits payable to the Non-Executive Directors.

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Directors' Training

The Board fully recognizes that sustainability issues evolve in line with the ever-changing business environment and has initiatives to attend training from time to time, particularly on relevant new laws and regulations, in order to keep themselves abreast of the latest market trend and sustainability issues. All Directors attended the Mandatory Accreditation Programme as required by the MMLR. During FY 2025, the Directors attended the following seminars and/or programmes;

Directors	Seminars/Programmes attended
Dato' Loo Keng An @ Lee Kim An	MAP II : Leading for Impact (LIP)
Loo Say Leng	MAP II : Leading for Impact (LIP) ESG and TCFD Masterclass : Frameworks and Strategies for Guiding Sustainability Anti-Bribery and Anti-Corruption Training
Lim Kim Meng	MAP II : Leading for Impact (LIP) Understanding the 7 PDPA principles The Malaysian Bar Environmental, Social and Governance Conference
Tuan Haji Mohd Faizal Bin Haji Abdul Majid	MAP II : Leading for Impact (LIP)
Jeannie Lim Li Tein	MAP II : Leading for Impact (LIP)

In addition, the Company Secretary and external auditors update the Board on a regular basis on the respective changes and amendments to regulatory requirements and laws and accounting standards to assist Directors to keep them abreast of such latest changes in the regulatory requirements.

Re-election of Directors

In accordance with Clause 96 of the Company's Constitution, an election of Directors shall take place each year. At every annual general meeting ("AGM") of the Company, one-third of the Directors for the time being shall retire from office provided always that all Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election. Mr. Lim Kim Meng and Ms. Jeannie Lim Li Tein, being the Directors retiring by rotation at the forthcoming AGM, and being eligible, have offered themselves for re-election.

Shareholders are well informed by the Company on the re-election of Directors through the notes accompanying the notice of AGM.

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Directors' Remuneration

The Board had on 26 June 2025 adopted the Remuneration Policy to support the Company's key strategies, create a strong performance-oriented environment which can attract, motivate and/or retain talents of high caliber. Evaluation of remuneration packages is conducted annually and each Director shall abstain himself/herself from deliberations and voting on decisions as regards his/her individual remuneration. The Remuneration Policy is available on the Company's website at www.minhomalaysia.com.

Details of remuneration paid or payable to all Directors of the Company and the Group for FY 2025 are as follows:-

Category	Fees (RM '000)	Salaries & Other Emoluments (RM '000)	Benefits In Kind (RM '000)	Total (RM '000)
Executive Directors	662	4,090	103	4,855
Non-Executives Directors	60	124	-	184
Total	722	4,214	103	5,039

The NRC reviewed the remuneration structure of the ED of the Company to ensure that it commensurates with market expectation, the directors' experience and competency and performance of the Group. Based on the above review, the NRC has submitted the recommendations to the Board for their approval.

Remuneration of Key Senior Management

The remuneration for the key senior management of the Company are as follows:-

Range of Remuneration (RM)	Number of Key Senior Management
600,000 – 700,000	1
1,100,000 – 1,200,000	1
Total	2

The Board opined that such disclosure of the key senior management's remuneration on a named basis may not be in its best interest to the Company and such disclosure may cause unhealthy competition resulting in adverse effect on the Company's talent retention. Remuneration packages of the key senior management are based on their scope of duty and responsibilities.

The NRC is of the view that the level of remuneration packages of the key senior management in respect of FYE 2025 is fair and reasonable to retain and reward their talents.

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

ARMC

The ARMC consists exclusively of independent directors to ensure that the committee is effective and fully independent and that the Board's review of the ARMC's findings and recommendations is objective and not impaired in any way. The Company also practices the policy requiring any former key audit partner to observe a cooling-off period of at least 3 years before being appointed as a member of the ARMC. The authority, duties and responsibilities of the ARMC and the summary of the work carried out to discharge its duties for FY 2025 are set out in the ARMC Report in this Annual Report.

The ARMC oversees and ensures the integrity of the financial reports and that they are in accordance with the MMLR and Malaysian Financial Reporting Standards (MFRS) requirements before presenting the financial statements to the Board for approval. The ARMC also provides assurance to the Board with support and clarifications from the external auditors that the financial statements presented to them is in compliance with the applicable laws and accounting standards and give a true and fair view of the Group's performance and financial position. The ARMC meets with the external auditors without the presence of the management at least once a year.

The external auditors declared their independence annually to the ARMC as specified by the By-Laws issued by the Malaysian Institute of Accountants, in their annual audit plan presented to the ARMC. The assessment to consider the suitability, objectivity and independence of the external auditors firm is conducted annually while taking into account the Company's policy of appointing a different external auditing firm every few years. The ARMC was satisfied with the independence and performance of Ecovis Malaysia PLT, the external auditors and recommended to the Board to put forth a proposal for their re-appointment at the Company's forthcoming AGM.

The ARMC has maintained an appropriate relationship with the external auditors and there are formal and transparent arrangements in reviewing the external auditors' audit plan, report, internal control issues and procedures. The external auditors are invited to attend the Company's AGM. This enables shareholders to seek clarification on the conduct of the audit and preparation of the Group's audit report. The key features and role of the ARMC in relation to the external auditors are included in the Committee's term of reference.

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Risk Management and Internal Control Framework

The ARMC receives risk reports from different business units of the Group to review risk management activities and report before recommending any action(s) to be taken for Board's approval. The Group's internal audit function is outsourced to an independent professional consultation firm namely, Eco Asia Governance Advisory Sdn. Bhd. which carried out internal audit based on the internal audit plan approved by the ARMC. All findings and recommendations for improvements from the internal audit are reviewed by the ARMC and presented to the respective departments for implementation accordingly.

Details of the Group's risk management and internal control system are set out in the Statement on Risk Management and Internal Control in this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

The Board recognises the importance of a constructive and effective relationship between the Company and its stakeholders, which is essential for the enhancement of shareholder value as well as timely dissemination of information to shareholders and/or stakeholders via different channels. The Board monitors all information required to be released to Bursa Securities and makes material announcements to Bursa Securities in a timely manner. The Board also strives to disclose price sensitive information to the public as soon as practicable through Bursa Securities, the media and the Company's website. The Company Secretary is responsible for compiling such information for the Board's approval and release such information to the market as required by Bursa Securities. Apart from the provisions relating to closed period for dealing in the Company's shares, the Directors and senior management who are privy to price sensitive information are prohibited from dealing until such information is publicly available. The Company's website at www.minhomalaysia.com is updated regularly and provides relevant information on the Company which is accessible to the public to make informed decisions. The Company is not categorised as a "Large company" and hence, has not adopted integrated reporting based on a globally recognised framework.

Relationship with Shareholders

The Board recognises the value of good investor relations and the importance of disseminating information in a fair and equitable manner. Thus, the Board stresses on maintaining good relationship with shareholders through good communication. The Group reaches out to its shareholders through distribution of annual reports, holding of AGMs which provides excellent opportunities for shareholders to raise questions and give comments on the business activities of the Group, announcements made to Bursa Securities and quarterly results announcements. All Directors endeavour to attend all general meetings to provide meaningful and informative answers to all questions raised by the shareholders. All resolutions set out in the notice of general meetings are voted by poll. The Board makes announcement of the detailed results showing the number of votes cast for and against each resolution at general meetings to facilitate greater shareholder participation. The Company also provides a website at www.minhomalaysia.com for shareholders and the general public to access pertinent financial and non-financial information pertaining to the company at all times.

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

Conduct of General Meetings

The AGM represents the primary platform for direct two-way interactions between shareholders, Directors and senior management of the Company.

In compliance with Practice 12.1 of the MCCG, the Company gives its shareholders at least 28 days' notice prior to the AGM, so as to give sufficient time to shareholders to consider the resolutions that will be discussed and decided at the AGM. The notice of AGM also provides detailed explanation for each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights. Upon completion of the general meetings, the Company will upload the questions raised by the shareholders together with the answers responded by the Board and the management on the Company's website within 30 business days after the general meeting.

In line with the MMLR, the Company had implemented poll voting for all the resolutions set out in the notices of general meetings. An independent scrutineer is appointed to observe the polling process and to tabulate the polling results.

This statement is made in accordance with a resolution of the Board of Directors dated 28 April 2026.

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Audit and Risk Management Committee Report

Membership

The Audit and Risk Management Committee (“**ARMC**”) comprises the following members:-

Tuan Haji Mohd Faizal Bin Haji Abdul Majid	Chairman/ Independent Non-Executive Director
Jeannie Lim Li Tein	Member/ Independent Non-Executive Director
Lim Kim Meng	Member/ Independent Non-Executive Director

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors (“**INED**”). The Chairman of the ARMC is a qualified accountant and a member of the Malaysian Institute of Accountants. The composition of the ARMC complies with paragraph 15.09(1) and paragraph 15.10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**MMLR**”).

Authority, Duties and Responsibilities of the ARMC

The ARMC is governed by its Terms of Reference, which is available on the Company's website at www.minhomalaysia.com.

Meetings

During the financial year ended 31 December 2025 (“**FYE 2025**”), the ARMC held six (6) meetings and the details of meeting attendance of each committee member is as follows:-

Name of Members	Meetings Attended
Tuan Haji Mohd Faizal Bin Haji Abdul Majid	6/6
Lim Kim Meng	6/6
Jeannie Lim Li Tein	6/6

The Executive Directors, together with the members of the Management are invited to attend all the ARMC meetings particularly to provide clarification on audit and risk related issues and to report on the operations. The external auditors are also invited to attend the ARMC Meetings to present their audit plan and audit findings, and to assist the ARMC in its review of the year-end financial statements.

The ARMC Chairman engages on a continuous basis with Senior Management, and the external and internal auditor to keep abreast of matters affecting the Company and its subsidiaries (“**the Group**”). Where significant issues are noted, the ARMC Chairman communicates and confers with the other members, either through emails or in meetings.

The ARMC Chairman reports the proceedings of the ARMC meetings to the Board after every ARMC meeting. Minutes of the ARMC meetings are circulated to all members of the Board and significant issues were brought up and discussed at Board meetings.

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Audit and Risk Management Committee Report (cont'd)

Summary of Activities Carried Out by the ARMC

The activities carried out by the ARMC during FYE 2025 were as follows:-

Financials

- (a) Reviewed the unaudited consolidated quarterly financial statements of the Group and made recommendations to the Board for approval.
- (b) Reviewed the audited financial statements, directors' reports and other significant accounting issues arising from the audit for the financial year ended 31 December 2024 ("FYE 2024") with the external auditors before they were presented to the Board for approval.
- (c) Reviewed and recommended all the reports and statements for inclusion in the Company's 2024 Annual Report to the Board for approval.
- (d) Reviewed the foreign exchange transactions of the Group on a quarterly basis.

Matters relating to external audit

- (a) Reviewed with the external auditors, on the memorandum of matters for the first nine (9) months audit for FYE 2025.
- (b) Reviewed the audit planning memorandum for FYE 2025 prepared by the external auditors.
- (c) Reviewed with the external auditors, on matters arising from the management letter for FYE 2024 as well as the results of the audit, audit report and recommendations, key audit matters and significant audit findings.
- (d) Met with the external auditors without the presence of Executive Directors and the Management to discuss the overall assessment of the Group, to ensure that issues, if any, are brought to the attention of the ARMC and to provide the external auditors with an avenue to express any concerns they may have.
- (e) Discussed with the external auditors, the Group's audit, the auditors' responsibilities and scope of audit work in respect of the Group's financial statements.
- (f) Assessed and evaluated the performance, suitability, independence, technical competency and objectivity of the external auditors in respect of the audit work for FYE 2025. After carrying out the evaluation, recommended to the Board to propose to shareholders the re-appointment of the external auditors at the annual general meeting of the Company.
- (g) Reviewed the audit services and non-audit services provided by the external auditors and their corresponding fees incurred. The ARMC had concluded that the external auditors had remained independent during FYE 2025.
- (h) Reviewed the Statement on Risk Management and Internal Control and recommended to the Board for approval.

Matters relating to internal audit

- (a) Reviewed with the internal auditors, the Company's policies and standard operating procedures.
- (b) Reviewed and approved the internal audit plan for FYE 2025 to ensure adequate scope and coverage of the Group's activities based on identified and assessed key risk areas.
- (c) Reviewed all internal audit reports, including management's responses to the observations raised by the internal auditors, and action plans to be implemented by the Management on the issues reported.

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Audit and Risk Management Committee Report (cont'd)

- (d) Assessed and evaluated the performance and effectiveness of the internal audit during FYE 2025, which includes the scope, functions, competency and resources as well as their ability to serve the Group in terms of technical competencies and manpower resource sufficiency.
- (e) Reviewed the outcome of follow-up audits to ascertain the status of implementation by the Management on the agreed action plans highlighted in the previous internal audit reports.

Matters relating to related party transactions

- (a) Took note of all the recurrent related party transactions (“RRPTs”) reported on a quarterly basis.
- (b) Reviewed and deliberated on all proposed RRPTs to be entered into by the Group to ensure that the proposed transactions to be entered into are in the best interest of the Group, fair, reasonable and on normal commercial terms, and not detrimental to the interests of the minority shareholders of the Company.
- (c) Reviewed the circular to shareholders in relation to the proposed shareholders’ mandate for RRPTs prior to its approval by the Board.

Summary of Internal Audit Function

The Group adopted a risk-based approach and the monitoring of controls by responsible units within each of the subsidiary companies audited was a major function of the Internal Auditors (“IA”). The internal audit function of the Group is outsourced to an independent professional firm, namely Eco Asia Governance Advisory Sdn. Bhd. The IA assist the ARMC in assessing any significant exposure to risks as well as to make recommendation to the Management for improving the Group’s internal control system. The IA reports directly to the ARMC all findings and recommendations for the discussion and deliberation by the ARMC and instructions were given to the Management to take the necessary actions as recommended by the IA.

During the financial year under review, IA reviewed the procurement management, sales to collection management and the rental income management of Syarikat Minho Kilning Sdn. Bhd.

The internal audit activities were carried out in accordance with the internal audit plan that was approved by the ARMC. This was to ensure adequate scope and coverage of the audit work over the activities of the Group. During FYE 2025, the ARMC carried out its annual evaluation of the IA’s work and was satisfied with the overall performance of the IA.

Total cost incurred for the internal audit function during FYE 2025 amounted to RM74,466.00.

Evaluation of the ARMC

The Nomination and Remuneration Committee reviewed the term of office and performance of the ARMC and each of its member and presented the results to the Board for information. The Board was satisfied that the ARMC and its members have discharged their functions, duties and responsibilities in accordance with the ARMC’s terms of reference and supported the Board in ensuring that the Group upholds the relevant corporate governance standards.

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Audit and Risk Management Committee Report (cont'd)

Training

Details of training programmes and seminars attended by each ARMC member during the FYE 2025 are set out in this Annual Report.

This report is made in accordance with a resolution of the Board of Directors dated 28 April 2026.

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Statement on Risk Management and Internal Control

INTRODUCTION

In accordance with paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”)(“**MMLR**”), the Malaysian Code on Corporate Governance and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“**the Guidelines**”), the Board of Directors of Minho (M) Berhad (“**the Board**”) is pleased to present the Company’s Statement on Risk Management and Internal Control (“**Statement**”) which outlines the nature and scope of risk management and internal control system of Minho (M) Berhad and its subsidiary companies (“**the Group**”) for the financial year ended 31 December 2025 (“**FYE 2025**”).

BOARD RESPONSIBILITY

The Board acknowledges the importance of a sound risk management and internal control system being embedded into the Group’s culture, structure, management and operations. The Group’s risk management and internal control system is designed to manage the business risks that may impede the Group from achieving its corporate objectives and strategies. The Board affirms its overall responsibility for the Group’s system of internal control and performs periodic review to evaluate its adequacy and integrity. However, the Board is aware that such internal control system is designed to manage and control rather than eliminate risks entirely. Inherently, the risk management and internal control system can only provide reasonable but not absolute assurance against material misstatement or loss.

ROLE OF THE MANAGEMENT

Management is responsible for designing, implementing and monitoring the risk management framework in accordance with the Company’s corporate objectives and strategies. The Management also assists the Board in implementing the Group’s approved policies and procedures on risk and control by identifying, evaluating, measuring, monitoring and reporting risks as well as the effectiveness of the internal control systems, taking appropriate and timely remedial actions as required.

MAIN FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Company has in place an on-going process for identifying, evaluating and managing significant risks that may materially affect the achievement of its corporate objectives and strategies. The system is supported by an appropriate organisation structure with clear reporting lines from the respective business units up to the Board level. The duties and responsibilities of employees are outlined in their job description respectively. The scheduled and ad-hoc management and operational meetings are held at various business units to deliberate and resolve operational and business matters.

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Statement on Risk Management and Internal Control (cont'd)

MAIN FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

The Board entrusts the Executive Committee (“EXCO”), which comprises the Executive Directors and senior management of the Group, with the responsibility of monitoring and reviewing strategic, financial and significant operational matters of the Group. In steering the Group towards the growth of its business, the EXCO prepares and monitors the Minho Group’s business plan as well as the Group’s operational efficiency and profitability, and reports to the Board.

Financial reports are prepared by the respective subsidiary level and escalated to the Company on a monthly basis. These reports are then used for the preparation of the Group Management Report, which is reviewed and deliberated on by the EXCO and provided for the Board’s review on a quarterly basis. This report provides information on the Group’s and respective division’s quarterly performance reviews, including ratio analysis and variances between actual performance and budget. The annual budget of the Group is also prepared and escalated to the Board for review and approval. Variances between actual performance and budget would be identified at Board meetings on a quarterly basis for appropriate corrective measures to be put in place.

Apart from the EXCO, the Board has established several Board Committees, i.e. the Audit and Risk Management Committee (“ARMC”) and Nomination and Remuneration Committee, to assist in discharging its duties. These Board Committees have been delegated with specific duties to review and consider the matters within the scope defined in their respective Terms of Reference.

The Board empowered its ARMC to review all risk management and internal control matters and highlight to the Board on any significant matters as well as the remedial action plans. The Group’s internal audit function is outsourced to an independent professional consultation firm namely, Eco Asia Governance Advisory Sdn. Bhd. that reports directly to the ARMC and provides assurance on the adequacy and effectiveness of the Group’s risk management and internal control system. The ARMC reviews and approves the Group’s internal audit plan, which was co-developed together with the respective Management. By applying a risk-based approach, periodic internal audit visits are carried out during the financial year based to all main and active subsidiaries of the Company on a rotation basis. Significant findings and recommendations for improvements are highlighted to the Management and the ARMC, together with the periodic follow-up on the implementation status of action plans. The Management is responsible for ensuring that the corrective actions have been implemented accordingly. During financial year ended 31 December 2025, internal audit conducted the review on procurement management, sales to collection management and the rental income management of Syarikat Minho Kilning Sdn. Bhd. The professional fee payable to the outsourced internal auditors for FYE 2025 amounted to RM74,466.00.

The Board having reviewed, believes that the risk management and internal control system are adequate. Appropriate mitigation plan and control procedures are put in place to deal with any identified weaknesses. As ‘work-from-home’ arrangements for employees have increasingly become a norm, necessary adjustment were made to various procedures without compromising on the internal control system. During the financial year, various deficiencies in the internal control system were identified by the outsourced internal auditors. The Management has taken the relevant corrective actions to address the identified deficiencies.

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Statement on Risk Management and Internal Control (cont'd)

MAIN FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

ASSURANCE PROVIDED BY THE MANAGING DIRECTOR AND FINANCE DIRECTOR

For FYE 2025, the Executive Directors and Group Accountant have provided reasonable assurance to the Board that to the best of their knowledge, the Group's risk management and internal control system are operating adequately and effectively, in all material respects, to ensure achievement of its corporate objectives and strategies.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required under Paragraph 15.23 of the MMLR, the external auditors have reviewed this Statement in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3"), a guidance issued by the Malaysian Institute of Accountants for auditors on engagements to report on this Statement to be included in the 2025 Annual Report and reported to the Board that nothing has come to their attention that causes them to believe that this is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the Group's risk management and internal control system, and are in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines, nor is the Statement factually inaccurate. The report from the external auditors was made solely to the Board in connection with the compliance of the MMLR and for no other purpose or parties.

AAPG 3 does not require the external auditors to consider whether this Statement covers all the risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and management thereon.

CONCLUSION

Based on quarterly updates by the ARMC and the assurance from the Executive Directors and Group Accountant of the Company, the Board is of the opinion that the risk management and internal control system that has been in place for the financial year under review and up to the date of issuance of this Statement is adequate and effective to provide reasonable assurance in safeguarding shareholders' investments, the Group's assets and other stakeholders' interest as well as addressing key risks impacting the business operations of the Group.

This Statement is made in accordance with a resolution of the Board of Directors dated 28 April 2026.

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Other Compliance Information

The following information in respect of the financial year ended 31 December 2025 (“**FYE 2025**”) are provided for shareholders’ information and in accordance with the requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”):-

1. Utilisation of Proceeds Raised from Corporate Proposals

There were no proceeds raised from any corporate proposals during FYE 2025.

2. Exercise of Options, Warrants and Irredeemable Convertible Preference Shares

The Company did not exercise any Options, Warrants or Irredeemable Convertible Preference Shares during FYE 2025.

3. Audit and Non-Audit Fees

A breakdown of fees for statutory audit and non-audit services incurred by the Company and the Group for FYE 2025 is set out in Note 8 of the Audited Financial Statements for FYE 2025 in this Annual Report.

4. Material Contracts Involving Directors and/or Major Shareholders

There were no material contracts (not being contracts entered into in the ordinary course of business) which involved the interests of Directors and/or major shareholders of the Company, either still subsisting at the end of FYE 2025 or which entered into by the Group since the end of the previous financial year.

5. Recurrent Related Party Transactions

Details of recurrent related party transactions are disclosed in Note 32 of the Audited Financial Statements for FYE 2025 in this Annual Report.

6. Disclosure Of Financial Data For Shariah Screening

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements/ Paragraph 9.41(b) of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah Screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group’s business activities and interest-based financial position.

(a) Group Total Income and Total Assets

	Remarks	Group	
		2025 (RM)	2024 (RM)
Total income			
Revenue		177,853,000	195,544,000
Other income		4,758,000	2,735,000
Interest/Finance income		413,567	208,004
Others	Rental receivables	8,441,000	9,278,000
Total Cash		191,465,567	207,765,004
Total Assets		515,443,380	514,626,568

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Other Compliance Information (cont'd)

6. Disclosure Of Financial Data For Shariah Screening (cont'd)

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 (RM)	2024 (RM)
Interest Income		600,433	632,996
Total		600,433	632,996

(c) Component of Financial Position

(i) Cash component

Islamic Account/Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Cash and bank balances (exclude cash in hand)		12,817,996	10,792,980
Deposits with licensed bank		8,020,232	9,973,784
Short-term funds		7,816,417	7,578,662
Total Cash		28,654,645	28,345,426

Conventional Account/Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Cash and bank balances (exclude cash in hand)		15,340,217	17,539,804
Deposits with licensed bank		19,590,967	12,172,875
Total Cash		34,931,184	29,712,679

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Other Compliance Information (cont'd)

6. Disclosure Of Financial Data For Shariah Screening (cont'd)

(c) Component of Financial Position (cont'd)

(ii) Debt component

Islamic Financing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current			
Bank overdrafts		3,764,673	4,042,843
Banker's acceptances		3,000,519	1,316,769
Bill payables		7,609,309	5,370,085
Hire purchase payables		32,810	59,802
Term loans		1,025,998	1,034,272
Non-Current			
Hire purchase payables		102,297	207,305
Term loans		8,414,343	9,420,062
Total Financing		23,949,949	21,451,138

Conventional Borrowing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current			
Bank overdrafts		109,002	453,044
Banker's acceptances		3,186,000	2,586,000
Bill payables		24,738,691	21,061,915
Hire purchase payables		370,209	401,897
Term loans		247,189	475,547
Non-Current			
Hire purchase payables		312,087	615,906
Term loans		551,564	607,428
Total Financing		29,514,742	26,201,737

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Simplified Group Statement of Financial Position

	2025 RM'000	2024 RM'000
Assets		
Property, plant and equipment	109,671	126,361
Investment properties	214,034	194,647
Right-of-use assets	6,414	10,434
Land held for investment	3,998	2,500
Goodwill	1,501	-
Inventories	71,036	85,824
Trade and other receivables	37,379	31,027
Tax recoverable	2,663	3,550
Short-term investments	7,816	7,579
Derivative financial assets	22	-
Fixed deposit with licensed banks	27,611	22,147
Cash and bank balances	33,298	30,558
	515,443	514,627
Liabilities & Shareholders' Equity		
Trade and other payables	32,348	26,432
Provision for liabilities	-	127
Derivative financial liabilities	-	56
Loans and borrowings	21,116	21,221
Lease liabilities	6,422	10,789
Deferred tax liabilities	13,242	12,801
Share capital	206,368	206,368
Other reserves	13,464	13,464
Retained earnings	185,668	183,469
Non-controlling interests	36,815	39,900
	515,443	514,627

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Segmental Information

Segment		Sales (RM '000)			Profit before tax (RM '000)		
		2025	2024	Variance	2025	2024	Variance
Timber Extraction	Lionvest Corporation (Pahang) Sdn. Bhd. & Abadi Canggih Sdn. Bhd.	-	-	-	-	(395)	100%
Timber Trading	Lionvest Plantation Sdn. Bhd., Victory Enterprise Sdn. Bhd. & Costraco Sdn. Bhd.	38,981	52,867	(26%)	361	1,403	(74%)
Manufacturing	Victory Enterprise Sdn. Bhd., Lionvest Timber Industries Sdn. Bhd., Indah Paper Industries Sdn. Bhd. & Euro-CGA Sdn. Bhd.	105,072	109,495	4%	6,126	6,944	(12%)
Services & Treatment	Syarikat Minho Kilning Sdn. Bhd.	32,864	32,079	2%	7,341	321	2,187%
Property Development	My Squares Development Sdn. Bhd., ML Setia Sdn. Bhd.	-	-	-%	74	204	(64%)
Others	Minho (M) Berhad, Syarikat Vinco Timber Industries Sdn. Bhd., & Lionvest Corporation (Pahang) Sdn. Bhd.	936	3,144	(70%)	1,988	4,960	(60%)
Elimination		-	-	-	(4,203)	(4,087)	(3%)
Total		177,853	197,585	(10%)	11,687	9,350	25%

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

Statement on Directors' Responsibility In Relation to the Financial Statements

The Directors are responsible in ensuring that the financial statements give a true and fair view of the state of affairs of the Group and of the Company as at the end of each financial year, and of the results and the cash flows of the Group and the Company for that financial year then ended.

In preparing the financial statements, the Directors have ensured that suitable accounting policies have been consistently applied. Reasonable and prudent judgements and estimates have been made and ensured that all applicable accounting standards in Malaysia have been adhered to. The financial statements are prepared on a going concern basis as the Directors have reasonable expectation having made inquiries that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors are also responsible for ensuring that the Group and the Company maintain proper accounting records that disclose the financial position of the Group and the Company with reasonable accuracy, and which enable the financial statements to be complied with the regulatory requirements.

The Directors have overall responsibilities for taking such measures to safeguard the assets of the Group and of the Company and to prevent and to detect fraud and other irregularities.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

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 31 December 2025.

Principal activities

The Company is principally engaged in investment holding activities. The principal activities of the subsidiaries are set out in Note 28 to the financial statements.

There has been no significant change in the nature of these principal activities during the financial year, other than a subsidiary that added letting of properties to its principal activities.

Results

	Group RM'000	Company RM'000
Profit for the financial year attributable to:		
Owners of the Company	5,491	3,529
Non-controlling interests	(130)	-
	<u>5,361</u>	<u>3,529</u>

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

Reserves and provisions

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

Dividends

Since the end of the previous financial year, the Company has declared and paid a single tier interim dividend of 0.85 sen per ordinary share totaling RM3,032,155 in respect of the financial year ended 31 December 2025 on 15 December 2025.

The Directors do not recommend any final dividend in respect of the financial year.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Directors' Report (Cont'd)

Directors

The Directors of the Company who served during the financial year up to the date of this report are:

Dato' Loo Keng An @ Lee Kim An *
Loo Say Leng *
Lim Kim Meng
Jeanne Lim Li Tein
Mohd Faizal Bin Abdul Majid

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

The names of the Directors of the Company's subsidiaries in office since beginning of the financial year to the date of this report (not including directors listed above) are:

Yew Kam @ Yeow Hong Chiang
Siew Kiat Seng
Ng Kok Guan
Ng Hoe Heng
Leong Voon Chong
Loo Say Kian
Lee Yee Yan
Loo Say Cheng
Tan Kim Kee
Yap Leong Seng
Yap Han Chin (Alternate Director to Yap Leong Seng)
Yap Chin Fong (Appointed on 10 April 2025)
Tan Kim Kee (Resigned on 10 April 2025)

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of fees and emoluments received or due and receivable by the Directors, or the fixed salary of a full time employee of the Company as disclosed below) by reason of a contract made by the Company or its related corporations 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 certain Directors who have substantial financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 31(a) to the financial statements.

Neither at the end of the financial year, nor at any time during that financial year, was the Company a party to any arrangements with the object of enabling Directors of the Company to acquire benefits by means of the acquisitions of shares in, or debentures of, the Company or any other body corporate.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Directors' Report (Cont'd)

Directors' remuneration

Directors' remuneration paid to or receivable by Directors from the Company and subsidiaries of the Company in respect of the financial year is as follows:

	Group RM'000	Company RM'000
Fees	722	60
Salary, allowance, bonus and defined contribution plans	4,214	166
Benefits-in-kind	103	-
	<u>5,039</u>	<u>226</u>

Directors' interest

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 ("the Act"), the interests and deemed interests of Directors in office at the end of the financial year in the shares of the Company during the financial year are as follows:

	Number of ordinary shares				
	As at <u>01.01.2025</u>	<u>Bought</u>	<u>Sold</u>	<u>Adjustment</u>	As at <u>31.12.2025</u>
Interest in the Company					
<u>Direct interest:</u>					
Lim Kim Meng	260,947	-	-	-	260,947
Mohd Faizal Bin Abdul Majid	3,131	-	-	-	3,131
<u>Indirect interest:</u>					
Dato' Loo Keng An @ Lee Kim An [^]	101,074,973	-	-	-	101,074,973
Loo Say Leng [^]	101,074,973	-	-	-	101,074,973
<u>Deemed interest:</u>					
Dato' Loo Keng An @ Lee Kim An [*]	8,375,205	-	-	-	8,375,205

[^] Indirect interest held through Minho Holdings Sdn. Bhd. where the Director has substantial interest.

^{*} Deemed interest from spouse's and children's direct interest.

By virtue of their interest in the shares of the Company, the above Directors of the Company are also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

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

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Directors' Report (Cont'd)

Issue of shares and debentures

During the financial year there were no new issue of shares or debentures by the Company.

Options granted over unissued shares

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

Other statutory information

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 allowance for doubtful debts and satisfied themselves that there are no known bad debts and that adequate allowances had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) which would render the amount writing off for bad debts necessary or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
- (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading;
- (iii) not otherwise dealt with in the report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading; and
- (iv) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Directors' Report (Cont'd)

Other statutory information (cont'd)

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

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

In the opinion of the Directors:

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

Indemnity to Directors, officers or auditors

The Directors and officers of the Company are covered by liability insurance up to an aggregate limit of RM5,000,000 pursuant to Section 289 of the Act. The amount of insurance premium payable for the financial year is RM13,600.

To the extent permitted by the Act, the Company has agreed to indemnify its auditors as part of the terms of their engagement against claims by third parties arising from the audit. No payment has been made to indemnify the auditors during or since the financial year end.

Significant events during the financial year

The details of the Group's significant events during the financial year are disclosed in Note 37 to the financial statements.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 28 to the financial statements.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Directors' Report (Cont'd)

Auditors

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

The auditors' remuneration for the financial year is RM261,000 and RM66,000 for the Group and for the Company respectively.

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

Dato' Loo Keng An @ Lee Kim An
Director
28 April 2026

Loo Say Leng
Director

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Statement by Directors

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

We, **Dato' Loo Keng An @ Lee Kim An** and **Loo Say Leng**, being two of the Directors of **Minho (M) Berhad**, state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

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

Dato' Loo Keng An @ Lee Kim An

Director

28 April 2026

Loo Say Leng

Director

Statutory declaration

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

I, **Loo Say Leng**, being the Director primarily responsible for the financial management of **Minho (M) Berhad**, do solemnly and sincerely declare that the accompanying financial statements are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
the abovenamed at Petaling Jaya in the state of
Selangor Darul Ehsan on 28 April 2026

Loo Say Leng

Before me,

Commissioner for Oaths

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Statements of Profit or Loss and Other Comprehensive Income For the Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	5	177,853	197,585	4,060	2,071
Cost of sales		<u>(151,179)</u>	<u>(165,668)</u>	<u>-</u>	<u>-</u>
Gross profit		26,674	31,917	4,060	2,071
Other income	6	14,236	10,812	122	1,648
Marketing and distribution expenses		(3,745)	(7,236)	-	-
Administrative expenses		(21,828)	(23,989)	(629)	(478)
Net impairment losses on financial assets		(1,023)	(662)	-	-
Other operating expenses		<u>(1,625)</u>	<u>(142)</u>	<u>(15)</u>	<u>(52)</u>
Profit from operations		12,689	10,700	3,538	3,189
Finance costs	7	<u>(1,002)</u>	<u>(1,350)</u>	<u>-</u>	<u>-</u>
Profit before tax	8	11,687	9,350	3,538	3,189
Tax expense	10	<u>(6,326)</u>	<u>(3,615)</u>	<u>(9)</u>	<u>7</u>
Profit/Total comprehensive income for the financial year		<u>5,361</u>	<u>5,735</u>	<u>3,529</u>	<u>3,196</u>
Profit/Total comprehensive income for the financial year attributable to:					
Owners of the Company		5,491	5,634		
Non-controlling interests		<u>(130)</u>	<u>101</u>		
		<u>5,361</u>	<u>5,735</u>		
Basic earnings per ordinary share (sen)	11	<u>1.54</u>	<u>1.58</u>		
Diluted earnings per ordinary share (sen)	11	<u>1.54</u>	<u>1.58</u>		

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

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Statement of Financial Position

As At 31 December 2025

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current assets					
Property, plant and equipment	12	109,671	126,361	-	-
Investment properties	13	214,034	194,647	-	-
Rights-of-use assets	14	6,414	10,434	-	-
Land held for investment	15	3,998	2,500	-	-
Investment in subsidiaries	28	-	-	148,090	151,090
Goodwill	29	1,501	-	-	-
		<u>335,618</u>	<u>333,942</u>	<u>148,090</u>	<u>151,090</u>
Current assets					
Inventories	16	71,036	85,824	-	-
Trade and other receivables	17	37,379	31,027	-	510
Tax recoverable		2,663	3,550	191	533
Short-term investments	18	7,816	7,579	2,738	2,670
Derivative financial assets	19	22	-	-	-
Fixed deposit with licensed banks	20	27,611	22,147	-	-
Cash and bank balances	21	33,298	30,558	5,340	1,157
		<u>179,825</u>	<u>180,685</u>	<u>8,269</u>	<u>4,870</u>
Total assets		<u>515,443</u>	<u>514,627</u>	<u>156,359</u>	<u>155,960</u>

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

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Statement of Financial Position As At 31 December 2025 (Cont'd)

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Equity					
Share capital	22	206,368	206,368	206,368	206,368
Other reserves	23	13,464	13,464	-	-
Retained earnings		185,928	183,469	(50,067)	(50,566)
Equity attributable to owners of the Company		405,760	403,301	156,301	155,802
Non-controlling interests		36,555	39,900	-	-
Total equity		442,315	443,201	156,301	155,802
Non-current liabilities					
Loan and borrowings	24	9,380	10,850	-	-
Lease liabilities	25	1,404	3,052	-	-
Deferred tax liabilities	26	13,242	12,801	-	-
		24,026	26,703	-	-
Current liabilities					
Trade and other payables	27	32,348	26,432	58	158
Provision for liabilities		-	127	-	-
Derivative financial liabilities	19	-	56	-	-
Loan and borrowings	24	11,736	10,371	-	-
Lease liabilities	25	5,018	7,737	-	-
		49,102	44,723	58	158
Total liabilities		73,128	71,426	58	158
Total equity and liabilities		515,443	514,627	156,359	155,960

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

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Statements of Changes in Equity For the Financial Year Ended 31 December 2025

	← Attributable to owners of the Company →					
	← Non-distributable →			Distributable		
	Total equity RM'000	Equity attributable to owners of the Company RM'000	Share capital RM'000	Other reserves RM'000	Retained earnings RM'000	Non- controlling interests RM'000
Group						
At 1 January 2025	443,201	403,301	206,368	13,464	183,469	39,900
Profit/Total comprehensive income for the financial year	5,361	5,491	-	-	5,491	(130)
Dividend paid	(6,247)	(3,032)	-	-	(3,032)	(3,215)
At 31 December 2025	442,315	405,760	206,368	13,464	185,928	36,555

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

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Statement of Changes in Equity

For the Financial Year Ended 31 December 2025 (Cont'd)

	← Attributable to owners of the Company →					Non-controlling interests RM'000
	Total equity RM'000	Equity attributable to owners of the Company RM'000	Share capital RM'000	← Non-distributable → Distributable		
Other reserves RM'000				Retained earnings RM'000		
Group						
At 1 January 2024	441,948	400,699	206,368	13,464	180,867	41,249
Profit/Total comprehensive income for the financial year	5,735	5,634	-	-	5,634	101
Dividend paid	(4,482)	(3,032)	-	-	(3,032)	(1,450)
At 31 December 2024	443,201	403,301	206,368	13,464	183,469	39,900

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

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Statement of Changes in Equity For the Financial Year Ended 31 December 2025 (Cont'd)

			Non-distributable	Distributable
	Note	Total equity RM'000	Share capital RM'000	Accumulated losses RM'000
Company				
At 1 January 2024		155,638	206,368	(50,730)
Profit/Total comprehensive income for the financial year		3,196	-	3,196
Dividend paid	30	(3,032)	-	(3,032)
At 31 December 2024/1 January 2025		155,802	206,368	(50,566)
Profit/Total comprehensive income for the financial year		3,531	-	3,531
Dividend paid	30	(3,032)	-	(3,032)
At 31 December 2025		156,301	206,368	(50,067)

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

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Statements of Cash Flows

For the Financial Year Ended 31 December 2025

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities				
Profit before tax	11,687	9,350	3,538	3,189
Adjustments for:				
Amortisation of rights of use assets	3,815	6,079	-	-
Depreciation:				
- property, plant and equipment	4,902	4,923	-	-
- investment properties	3,044	2,218	-	-
Reversal of impairment on investment in subsidiaries	-	-	-	(1,479)
Net fair value gain on short-term investments	(152)	-	-	-
Interest expenses	1,002	1,350	-	-
(Impairment reversal)/impairment of property, plant and equipment	(3,012)	3,012	-	-
Net impairment losses of trade receivable	1,023	662	-	-
Reversal of impairment of amount from related party	(13)	-	-	-
Net unrealised loss from foreign exchange	841	87	-	-
Impairment on inventories	1,404	142	-	-
Gain on disposal of property, plant and equipment	(84)	(669)	-	-
Gain on disposal of investment properties	-	(652)	-	-
Gain on lease modification	(2)	-	-	-
Income from short-term investment	(85)	(257)	(82)	(77)
Interest income	(1,014)	(841)	(40)	(41)
	11,669	16,054	(122)	(1,597)
Operating profit before changes in working capital	23,356	25,404	3,416	1,592

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

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Statements of Cash Flows

For the Financial Year Ended 31 December 2025 (Cont'd)

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities (cont'd)					
Movement in inventories		13,384	10,510	-	-
Movement in receivables		(7,362)	2,325	(510)	(510)
Movement in payables		5,162	2,048	99	100
Provision for liabilities		(127)	-	-	-
Cash generated from operations		<u>11,057</u>	<u>14,883</u>	<u>411</u>	<u>(410)</u>
Interest received		574	142	-	-
Income tax paid, net of refund		(4,998)	(6,298)	(72)	(85)
Interest expense on bank overdraft		(164)	(157)	406	-
Net cash from operating activities		<u>29,825</u>	<u>33,974</u>	<u>4,161</u>	<u>1,097</u>
Cash flows from investing activities					
Acquisition of subsidiary		(1,496)	-	-	-
Dividend paid		(6,247)	-	(3,032)	(3,032)
(Increase)/Decrease in derivative financial asset		(78)	105	-	-
Income from short-term investment		85	257	82	77
Interest received		440	699	-	-
Proceeds from disposal of property, plant and equipment		84	665	-	-
Proceeds from disposal of investment properties		-	965	-	-
Purchase of investment properties	13	(858)	(949)	-	-
Purchase of property, plant and equipment	12	(6,773)	(16,441)	-	-
Purchase of land held for investment	14	(749)	-	-	-
Proceeds in reduction of shares In subsidiary		-	-	3,000	-
Net cash (used in)/from investing activities		<u>(15,592)</u>	<u>(14,699)</u>	<u>50</u>	<u>(2,955)</u>

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

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Statements of Cash Flows

For the Financial Year Ended 31 December 2025 (Cont'd)

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from financing activities					
Interest paid		(838)	(1,193)		
Dividends paid		-	(4,482)	-	-
Increase in deposits pledged with licensed bank		(4,613)	(3,855)	-	-
Interest income		-	-	40	41
Repayment of lease liabilities		(4,160)	(6,131)	-	-
Drawdown/(Repayment) of bankers' acceptance and letter of credit		2,283	(9,293)	-	-
Repayment of hire purchase payable		(469)	(2,632)	-	-
Repayment of term loans		(1,297)	(486)	-	-
Net cash (used in)/ from financing activities	(a)	<u>(9,094)</u>	<u>(28,072)</u>	<u>40</u>	<u>41</u>
Net increase/(decrease) in cash and cash equivalents		5,139	(8,797)	4,251	(1,817)
Effects of foreign exchange rate		(841)	-	-	-
Fair value gain on short-term Investments		152	-	-	-
Cash and cash equivalents at beginning of financial year		45,416	54,213	3,827	5,644
Cash and cash equivalents at end of financial year	21	<u>49,866</u>	<u>45,416</u>	<u>8,078</u>	<u>3,827</u>

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

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Consolidated Statements of Cash Flows

For the Financial Year Ended 31 December 2025 (Cont'd)

Note (a): Changes in arising from financing activities

Group	At 1 January RM'000	Net cash flows RM'000	Acquisition/ (Disposal) RM'000	Others RM'000	At 31 December RM'000
2025					
Lease liabilities	10,789	(4,160)	(207)	-	6,422
Bankers' acceptance and letters of credit	3,903	2,283	-	-	6,186
Hire purchase payable	1,286	(469)	-	-	817
Term loans	11,536	(1,297)	-	-	10,239
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2024					
Lease liabilities	16,637	(6,131)	283	-	10,789
Bankers' acceptance and letters of credit	13,196	(9,293)	-	-	3,903
Hire purchase payable	3,220	(2,632)	698	-	1,286
Term loans	2,022	(486)	-	10,000	11,536
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Unit 2005, 20th Floor, Tower 2, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur. The principal place of business of the Company is located at Lot 6476, Lorong Sg. Puluh, Batu 6, Off Jalan Kapar, 42100 Klang, Selangor Darul Ehsan, Malaysia.

The Company is principally engaged in investment holding activities. The principal activities of the subsidiaries are set out in Note 30.

There has been no significant change in the nature of these principal activities during the financial year, other than the addition of letting business in one of the subsidiaries.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 April 2026.

2. Basis of preparation

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

The financial statements of the Group and of the Company have been prepared on the historical cost basis except as disclosed in the material accounting policy information in Note 3.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is the functional currency of the Company and of entities in the Group. All information is presented in RM and has been rounded to the nearest thousand, unless stated otherwise.

The preparation of financial statements in conformity with MFRS and IFRS requires the management to make judgements and estimates and that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and contingent liabilities, if any. Judgements and estimates are applied in the measurement, hence actual results could differ from reported amounts. The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

2. Basis of preparation (cont'd)

2.1 MFRS and amendments to MFRS that are effective and have been adopted in the current financial year

The following are MFRS and amendments to MFRS that are effective and have been adopted by the Group and the Company:

- Amendments to MFRS 121, 'The Effects of Changes in Foreign Exchange Rates' – Lack of Exchangeability

The adoption of the above MFRS and amendments to MFRS did not have any significant effect on financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

2.2 MFRS and amendments to MFRS that have been issued, but yet to be adopted

The following are MFRS and amendments to MFRS that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group and the Company:

(i) Effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, 'Financial Instruments' and MFRS 7, 'Financial Instruments: Disclosures' – Amendments to the Classification and Measurement of Financial Instruments
- Amendments to MFRS 9, 'Financial Instruments' and MFRS 7, 'Financial Instruments: Disclosures' – Contracts Referencing Nature-dependent Electricity
- Annual improvements to MFRS Accounting Standards – Volume 11

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

- MFRS 18, 'Presentation and Disclosure in Financial Statements'
- MFRS 19, 'Subsidiaries without Public Accountability: Disclosures'
- Amendments to MFRS 19, 'Subsidiaries without Public Accountability: Disclosures'
- Amendments to MFRS 121, 'The Effects of Changes in Foreign Exchange Rates' – Translation to a Hyperinflationary Presentation Currency

(iii) Deferred to a date to be determined by the MASB

- Amendments to MFRS 10, 'Consolidated Financial Statements' and MFRS 128, 'Investments in Associates and Joint Ventures' – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

2. Basis of preparation (cont'd)

2.2 MFRS and amendments to MFRS that have been issued, but yet to be adopted (cont'd)

The Group and the Company plan to apply the abovementioned MFRS and amendments to MFRS, where applicable to the Group and the Company, from the beginning of the financial year where they become effective.

The Group and the Company are currently assessing the impact of initial application of the above applicable MFRS and amendment to MFRS since the effect would only be observable in future financial years.

3. Material accounting policy information

3.1 Basis of consolidation

The Group financial statements incorporate the financial statements of the Company and of all its subsidiaries made up to the end of the financial year. The financial statements of the Group are prepared under similar reporting period for entities in the Group, using consistent accounting policies.

(a) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group and when the acquired set of activities meet the definition of business.

For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

(b) Investments in subsidiaries

Control is achieved when the Group is exposed to, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affects the investee's return.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

In the Company's statement of financial position, investment in subsidiaries is measured at cost less any accumulated impairment losses.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

3. Material accounting policy information (cont'd)

3.2 Property, plant and equipment

All items of property, plant and equipment, are stated at cost less accumulated depreciation and impairment losses, if any.

Freehold land and building has an infinite life and therefore is not depreciated. Assets under construction is not depreciated until the asset is available for use. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets as follows:

Buildings	2%
Plant and machinery	5% - 20%
Forklifts, trucks and motor vehicles	16% - 25%
Furniture, fittings and office equipment	10% - 33 1/3%
Other assets	8% - 20%

3.3 Investment properties

Investment properties are initially measured at cost, including expenditure directly attributable to the acquisition of investment property. Investment properties are measured using cost model. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Freehold land has an infinite life and therefore is not depreciated. Depreciation of investment properties is provided for on the straight-line basis over the estimated useful life at the annual rate of 2%.

3.4 Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and conditions are accounted for as follows:

- Raw materials for timber manufacturing: purchase costs on a first-in first-out basis.
- Raw materials for paper manufacturing: weighted average cost method.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.
- Inventories properties: lower of costs and net realisable value. Cost includes the relevant cost of land, development expenditure and related interest cost incurred during the development period.

Inventory properties where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle are referred to as land held for development and classified within non-current assets. These inventory properties are classified to current assets at the point when active development project activities have commenced and when it can be demonstrated that the development activities can be completed within the normal operating cycle.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

3. Material accounting policy information (cont'd)

3.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank balances, deposits with licensed banks and financial institutions, short term investment, and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of twelve months or less, and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statements of cash flows, cash and cash equivalents include cash on hand, cash at banks and short term investment, net of bank overdrafts and pledged deposits.

3.6 Financial assets

Financial assets are initially recognised at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

(i) Financial assets at fair value through profit or loss ("FVTPL")

The Group subsequently measures these financial assets at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss.

(ii) Debt instruments at amortised cost

Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

(iii) Debt instruments at fair value through other comprehensive income ("FVTOCI")

Subsequent to initial recognition, financial assets are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except impairment losses, foreign exchange differences and interest income calculated under the effective interest method, which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

3. Material accounting policy information (cont'd)

3.6 Financial assets (cont'd)

(iv) Equity instruments at FVTOCI

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. For equity instruments that are not held for trading, the Group and the Company have made an irrevocable election to designate them at FVTOCI upon initial recognition.

Subsequent to initial recognition, equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value of financial assets are recognised in other comprehensive income and are not subsequently transferred to profit or loss. Dividends on equity instruments are recognised in profit or loss when the Group and the Company's right to receive payment is established except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVTOCI are not subject to impairment assessment.

(v) Impairment of financial assets

The Group and the Company measure the impairment loss on financial assets other than trade receivables and contract assets based on 12-month expected credit loss ("ECL") and for a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime ECL.

(vi) Derecognition

All regular way purchases and sales of financial assets are recognised or derecognised on the settlement date, i.e. the date that the asset is delivered to or by the Group or the Company.

Any changes in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted for in the same way as it accounts for the acquired assets.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

3.7 Financial liabilities

(i) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading, a derivative, contingent consideration of an acquirer in a business combination and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

(ii) Financial liabilities at amortised cost

Financial liabilities at amortised cost are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.8 Derivatives

The Group uses foreign currency forward contracts to hedge the exposure of floating currency rate. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the profit or loss.

3.9 Leases

(i) As lessee

The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease agreements in which it is the lessee, except for low-value assets and short-term leases with lease term of 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease.

Right-of-use assets

Right-of-use assets are subsequently measured at cost less accumulated depreciation and any impairment losses, and adjustment for any remeasurement of the lease liability. Right-of-use asset are depreciated on the straight-line basis over the useful life of the underlying asset or lease term, as disclosed in Note 3.2 to the financial statements.

On the statement of financial position, right-of-use assets have been included in the property, plant and equipment.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

3. Material accounting policy information (cont'd)

3.9 Leases (cont'd)

(i) As lessee (cont'd)

Lease liabilities

Lease liabilities are initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

(ii) As lessor

The Group recognises lease payment received from investment properties under operating leases as other income on a straight-line basis over the lease term.

3.10 Revenue and other income

(a) Sale of goods and rendering of services

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax if any, returns, rebates and discounts.

Revenue from sale of goods is recognised when control of the goods has been transferred to the customer, generally on the delivery of goods. Revenue in respect of services rendered is recognised upon completion of services rendered and the benefits has been received by the customer.

The Group has applied the practical expedient to not adjust the promised amount of consideration for the effects of a significant financing components as the Group expects that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

(b) Rental income

Rental income from investment properties is recognised on a straight-line basis over the term of the lease.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

3. Material accounting policy information (cont'd)

3.10 Revenue and other income (cont'd)

(c) Dividend income

Dividend income is included in the income statement when the right to receive payment is established and no significant uncertainty exists as regards to its receipt. Interim dividends from subsidiaries are recognised when they are declared and final dividends when they are approved by shareholders in general meeting.

(d) Interest income

Interest income is recognised on an accrual basis that reflects the effective yield of the assets.

3.11 Income taxes

Deferred tax

Deferred tax is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

3.12 Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Executive Chairman of the Group, to make decision about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3.13 Fair value measurements

Fair values are categorised into different level in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within 1 level that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group and the Company recognise transfer between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

4. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity with MFRS requires management to exercise their judgement in the process of applying the Group's accounting policies and the use of accounting estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the reporting date and which may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future periods. Although these judgement and estimates are based on the management's best knowledge of current events and actions, actual results may differ.

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

The most significant uses of judgements, estimates and assumptions are as follows:

(a) Classification of a property as an investment property or property, plant and equipment

Certain property comprises of a portion that is held to earn rental income or capital appreciation, or for both, whilst the remaining portion is held for use in the production or supply of goods and services or for administrative purposes. If the portion held for rental and/or capital appreciation could be sold separately (or leased out separately as a finance lease), the Group accounts for that portion as an investment property. If the portion held for rental and/or capital appreciation could not be sold or leased out separately, it is classified as an investment property only if an insignificant portion of the property is held for use in the production or supply of goods and services or for administrative purposes. Management uses its judgement to determine whether any ancillary services are of such significance that a property does not qualify as an investment property.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

4. Significant accounting judgements, estimates and assumptions

The most significant uses of judgements, estimates and assumptions are as follows:
(cont'd)

(b) Impairment of financial assets

The Group and the Company estimate credit loss allowance for all trade and other receivables based on assumptions about risk of default and expected loss rates. The Group and the Company develop the expected loss rates based on past payment profiles and trends, and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the actual outcome is different from the estimation, such difference will impact the carrying amount of trade and other receivables.

(c) Estimated useful lives of assets

The cost of property, plant and equipment and investment properties are depreciated on the straight-line basis over the asset's useful lives. Management estimates the useful lives of these assets based on expected usage level and current conditions of the assets with proper maintenance schedule. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(d) Measurement of income taxes

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

(e) Inventories written down

The Group reviews damaged, obsolete and slow-moving inventories periodically and write down these inventories based on judgement and estimation. Inventories are written down when events or changes in circumstances indicate that the carrying amounts could not be recovered above cost of the inventories. Management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write down for obsolete or slow-moving inventories. Where actual outcome differs from the original estimates, the differences would impact the carrying amounts of inventories and profit or loss of subsequent periods.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

4. Significant accounting judgements, estimates and assumptions

The most significant uses of judgements, estimates and assumptions are as follows:
(cont'd)

(f) Measurement of right-of-use assets and lease liabilities

The right-of-use assets are depreciated on the straight-line basis over the assets' useful lives or lease term, whichever is earlier. Management estimates the useful lives of these assets based on expected usage level and current conditions of the assets with proper maintenance schedule, therefore future depreciation charges could be revised.

The lease term has been determined based on the non-cancellable period of lease in term and conditions of the arrangements together with both:

- (i) periods covered by an option to extend the leases; and/or
- (ii) periods covered by an option to terminate the lease.

In determining whether it is reasonably certain that an option to extend the lease or an option to terminate the lease will be exercised, management has considered all relevant factors and circumstances that have created the economic incentives to exercise such option.

The Group also applies judgement and assumption in determining the incremental borrowing rate of respective leases.

(g) Impairment of non-financial assets

The Group and the Company assess impairment of non-financial assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

5. Revenue

The Group derives revenue from the following sources:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from contract customers:				
Timber trading	44,419	54,963	-	-
Manufacturing	105,557	115,756	-	-
Service and treatment	23,516	27,667	-	-
Others	4,340	5,515	-	-
Revenue from other sources:				
Dividend income from subsidiaries	-	-	4,060	2,071
Rental income	15,133	11,135	-	-
Segment revenue	192,965	215,036	4,060	2,071
Less: Intercompany revenue	(15,112)	(17,451)	-	-
Revenue from external customers	177,853	197,585	4,060	2,071
Timing of recognition:				
- At a point in time	165,083	184,914	4,060	2,071
- Over time	12,770	12,671	-	-

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 and does not disclose information about remaining performance obligation that have original expected durations of one year or less.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

6. Other income

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Gain on disposal of investment properties	-	652	-	-
Gain on disposal of property, plant and equipment	84	669	-	-
Gain on fair value on short-term investment	167	-	-	-
Gain on lease modification	2	-	-	-
Gain on liquidation of subsidiary	-	6	-	-
Income from short-term investments	85	257	82	77
Interest income from banks	1,014	841	40	41
Realised gain on foreign exchange	369	65	-	-
Rental of investment properties	8,441	7,236	-	-
Reversal of impairment on amount owing from related party	13	-	-	-
Reversal of impairment on investment in subsidiaries	-	-	-	1,530
Reversal of impairment on property, plant and equipment	3,012	-	-	-
Others	1,049	1,086	-	-
	<u>14,236</u>	<u>10,812</u>	<u>122</u>	<u>1,648</u>

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

7. Finance costs

	Group	
	2025 RM'000	2024 RM'000
Interest expenses on:		
- bank overdrafts	164	157
- bankers' acceptances and letters of credit	214	390
- term loans	530	486
- lease liabilities	47	241
- hire purchase payable	47	76
	<u>1,002</u>	<u>1,350</u>

8. Profit before tax

Profit before tax is arrived at after charging/(crediting):

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Auditors' remuneration:				
Statutory audits				
- auditors of the Company	249	235	58	58
- other auditors	4	4	-	-
- underprovision in prior years	8	-	8	-
Amortisation of right-of-use assets	3,815	6,079	-	-
Depreciation:				
- property, plant and equipment	4,902	4,926	-	-
- investment properties	3,044	2,218	-	-
Fair value loss on short-term Investment	15	-	15	-
Net impairment losses on trade receivables	1,023	662	-	-
Impairment on inventories	1,404	142	-	-
Short-term leases of building	2,221	23	-	-
Leases of low-value assets	577	407	-	-

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

8. Profit/(Loss) before tax (cont'd)

Profit/(Loss) before tax is arrived at after charging/(crediting): (cont'd)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net impairment losses on investment in subsidiaries	-	-	-	(1,479)
Staff costs:				
- salaries, wages, allowances and bonus	23,739	23,948	-	-
- defined contribution plan	1,106	1,205	-	-
- others	1,291	627	-	-
Net (gain)/loss on foreign exchange:				
- realised	(369)	80	-	-
- unrealised	841	87	-	-

9. Directors' remuneration

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Executive Directors' remuneration:				
- fees	662	756	-	-
- salary, allowances, bonus and defined contribution plans	4,090	4,245	60	71
- benefits-in-kind	103	75	-	-
Non-executive Directors' remuneration:				
- fees	60	60	60	60
- salary, allowance, bonus and defined contribution plans	124	95	124	95
	<u>5,039</u>	<u>5,231</u>	<u>244</u>	<u>226</u>

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

9. Directors' remuneration (cont'd)

The number of Directors of the Group and of the Company whose total remuneration for the year ended 31 December 2025 fall within the following bands is analysed as follows:

	<u>Executive Directors</u>	<u>Non- Executive Directors</u>
Range of remunerations:		
Below RM50,000	-	-
RM50,0001 to RM100,000	-	3
RM100,001 to RM150,000	-	-
RM150,001 to RM200,000	-	-
RM200,001 to RM250,000	-	-
RM250,001 to RM300,000	-	-
RM300,001 to RM350,000	-	-
RM350,001 to RM400,000	-	-
RM400,001 to RM450,000	-	-
RM450,001 to RM500,000	-	-
RM500,001 to RM550,000	-	-
RM550,001 to RM600,000	-	-
RM600,001 to RM650,000	-	-
RM650,001 to RM700,000	1	-
RM700,001 to RM750,000	-	-
RM750,001 to RM800,000	-	-
RM800,001 to RM850,000	-	-
RM850,001 to RM900,000	-	-
RM900,001 to RM950,000	-	-
RM950,001 to RM1,000,000	-	-
RM1,000,001 to RM1,050,000	-	-
RM1,050,001 to RM1,100,000	-	-
RM1,100,001 to RM1,150,000	-	-
RM1,150,001 to RM1,200,000	1	-
	<hr/>	<hr/>
	2	3
	<hr/>	<hr/>

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

10. Tax expense/(income)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current tax:				
- current financial year	5,585	4,749	9	9
- under/(over) provision in prior year	300	(1,446)	-	(16)
	<u>5,885</u>	<u>3,303</u>	<u>9</u>	<u>(7)</u>
Deferred tax				
- current financial year	441	312	-	-
	<u>6,326</u>	<u>3,615</u>	<u>9</u>	<u>(7)</u>

Tax charge of the Group is attributable to tax charges in respect of profits of subsidiaries and the non-availability of group relief.

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

	Group	
	2025 RM'000	2024 RM'000
Profit before tax	<u>11,687</u>	<u>9,350</u>
Taxation at Malaysian statutory tax rate of 24%	2,805	2,244
Non-taxable income	(1,296)	(1,640)
Non-deductible expenses	3,705	4,500
Under/(Over) provision of current tax in prior years	300	(1,446)
Utilisation of previously unrecognised deferred tax assets	-	(53)
Deferred tax asset not recognised during the year	<u>812</u>	<u>10</u>
Income tax expense	<u>6,326</u>	<u>3,615</u>

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

10. Tax expense/(income) (cont'd)

Reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows: (cont'd)

	Company	
	2025 RM'000	2024 RM'000
Profit/(Loss) before tax	3,538	3,189
Taxation at Malaysian statutory tax rate of 24%	849	765
Non-taxable income	(994)	(825)
Non-deductible expenses	154	69
Overprovision of current tax in prior year	-	(16)
	9	(7)

Subject to agreement with the tax authority, at the end of the reporting period, the Group and the Company have unutilised tax losses and unabsorbed capital allowance available to be carried forward for offset against future taxable business income, but not recognised as deferred tax assets as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unutilised tax losses	3,493	2,048	117	117
Unabsorbed capital allowance	1,942	2	-	-
	5,435	2,050	117	117

The deferred tax assets arising from unutilised tax losses and capital allowances have only been recognised to the extent that the Group and the Company has sufficient taxable temporary differences available, as they arose from certain subsidiaries with recent history of losses.

The availability of unutilised tax losses for offsetting against future taxable profits of the Group and the Company is subject to the requirements under the Income Tax Act 1967 and guidelines issued by the Inland Revenue Board.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

10. Tax expense/(income) (cont'd)

Under the current tax legislation in Malaysia, unabsorbed losses from year of assessment ("YA") 2019 onwards can only be carried forward for a maximum period of 10 consecutive YAs. Unabsorbed losses for YA 2019 can be set off against income from any business source for 10 YAs and will be disregarded in YA 2030. Unabsorbed losses accumulated up to YA 2018 can be utilised for another 10 YAs and will be disregarded in YA 2029.

Unutilised tax losses of the Group and the Company can be carried forward until the following YAs:

	Group	
	2025 RM'000	2024 RM'000
YA 2028	87	488
YA 2029	144	144
YA 2030	117	117
YA 2031	100	100
YA 2032	78	78
YA 2034	1,435	1,121
	1,532	-
	<u>3,493</u>	<u>2,048</u>

	Company	
	2025 RM'000	2024 RM'000
YA 2030	<u>117</u>	<u>117</u>

11. Earnings per share

The basic and diluted earnings per share is calculated by dividing the profit after tax attributable to the owners of the Company for the financial year by the weighted average number of ordinary shares in issue (excluding treasury shares) during the financial year.

	Group	
	2025	2024
Basic and Diluted earnings per share		
Profit for the financial year (RM'000)	5,491	5,634
Weighted average number of ordinary shares in issue ('000)	356,724	356,724
Basic earnings per share (sen)	<u>1.54</u>	<u>1.58</u>

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

12. Property, plant and equipment

Group	Freehold land and building, and office premises RM'000	Plant and machinery RM'000	Forklift, trucks and motor vehicles RM'000	Furniture, fittings and office equipment RM'000	Other assets RM'000	Total RM'000
Cost						
At 1 January 2025	140,298	108,253	28,846	5,541	3,106	286,044
Additions	5,356	1,282	4	103	28	6,773
Disposals/ Write off	-	(331)	(184)	(146)	-	(661)
Transfer to investment property	(21,621)	-	-	-	-	(21,261)
At 31 December 2025	<u>124,033</u>	<u>109,204</u>	<u>28,666</u>	<u>5,498</u>	<u>3,134</u>	<u>270,535</u>
Accumulated depreciation						
At 1 January 2025	27,349	98,465	27,017	4,913	1,939	159,683
Charge for the financial year	1,106	2,766	635	250	145	4,902
Disposals/ Write off	-	(331)	(184)	(146)	-	(661)
Reversal of impairment loss	(3,012)	-	-	-	-	(3,012)
Transfer to investment property	(48)	-	-	-	-	(48)
At 31 December 2025	<u>25,395</u>	<u>100,900</u>	<u>27,468</u>	<u>5,017</u>	<u>2,084</u>	<u>160,864</u>
Net carrying amounts						
At 31 December 2025	<u>98,638</u>	<u>8,304</u>	<u>1,198</u>	<u>481</u>	<u>1,050</u>	<u>109,671</u>

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

12. Property, plant and equipment (cont'd)

Group	Freehold land and building, and office premises RM'000	Plant and machinery RM'000	Forklift, trucks and motor vehicles RM'000	Furniture, fittings and office equipment RM'000	Other assets RM'000	Total RM'000
Cost						
At 1 January 2024	117,241	124,773	28,449	5,433	2,955	278,851
Additions	24,042	1,506	1,175	265	151	27,139
Disposals/Write off	-	(18,026)	(778)	(157)	-	(18,961)
Reclassification	(985)	-	-	-	-	(985)
At 31 December 2024	140,298	108,253	28,846	5,541	3,106	286,044
Accumulated depreciation						
At 1 January 2024	23,208	113,808	27,147	4,768	1,798	170,729
Charge for the financial year	1,149	2,683	648	302	141	4,923
Disposals/Write off	-	(18,026)	(778)	(157)	-	(18,961)
Impairment loss	3,012	-	-	-	-	3,012
Reclassification	(20)	-	-	-	-	(20)
At 31 December 2024	27,349	98,465	27,017	4,913	1,939	159,683
Net carrying amounts						
At 31 December 2024	112,949	9,788	1,829	628	1,167	126,361

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

12. Property, plant and equipment (cont'd)

In the prior year, an impairment loss of RM3,012,180 was recognised in profit or loss under administrative expenses, representing the impairment of a newly acquired freehold land in the service and treatment segment, as a result of a valuation report obtained by management in 2023 stating a lower market value for the land. In the current financial year, management obtained a valuation report where market value derived from comparable properties had been updated to include transaction for an adjacent land in year 2024. Based on the recent valuation report, the impairment loss was reversed in view of the higher recoverable amount.

Company	Office equipment RM'000
Cost	
At 1 January 2024/31 December 2024/ 1 January 2025/31 December 2025	62
Accumulated depreciation	
At 1 January 2024/31 December 2024/ 1 January 2025/31 December 2025	62
Net carrying amount	
At 31 December 2025	-
At 31 December 2024	-

During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	Group	
	2025 RM'000	2024 RM'000
Purchase of property, plant and equipment	6,773	27,139
Financed with:		
- loans and borrowings	-	(10,000)
- lease arrangements	-	(698)
Cash payment on purchase of property, plant and equipment	6,773	16,441

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

12. Property, plant and equipment (cont'd)

The gross carrying amounts of fully depreciated property, plant and equipment that are still in use are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Freehold land and building, and office premises	19,073	111	-	-
Plant and machinery	83,809	82,312	-	-
Forklift, trucks and motor vehicles	25,559	26,767	-	-
Furniture, fittings and office equipment	4,549	4,343	-	-
Other assets	1,239	1,016	-	-
	<u>134,229</u>	<u>114,549</u>	<u>62</u>	<u>62</u>

The carrying amount of property, plant and equipment pledged to secure banking facilities and hire purchase arrangements disclosed in Note 24 are as follows:

	Group	
	2025 RM'000	2024 RM'000
Freehold land and building, and office premises	24,434	24,561
Forklift, trucks and motor vehicles	986	1,493
	<u>25,420</u>	<u>26,054</u>

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

13. Investment properties

Group	Freehold land	Leasehold land and buildings and freehold buildings	Total
Cost	RM'000	RM'000	RM'000
At 1 January 2025	117,401	127,396	244,797
Additions	-	858	858
Disposal	-	-	-
Transfer from property, plant and equipment	-	21,261	21,261
At 31 December 2025	117,401	149,875	267,276
Accumulated depreciation			
At 1 January 2025	-	50,150	50,150
Charge during the financial year	-	3,044	3,044
Transfer from property, plant and equipment	-	48	48
At 31 December 2025	-	53,242	53,242
Net carrying amounts			
At 31 December 2025	117,401	96,633	214,034
Cost			
At 1 January 2024	117,401	126,170	243,571
Additions	-	949	949
Disposal	-	(708)	(708)
Transfer from property, plant and equipment	-	985	985
At 31 December 2024	117,401	127,396	244,797
Accumulated depreciation			
At 1 January 2024	-	48,307	48,307
Charge during the financial year	-	2,218	2,218
Disposal	-	(395)	(395)
Transfer from property, plant and equipment	-	20	20
At 31 December 2024	-	50,150	50,150
Net carrying amounts			
At 31 December 2024	117,401	77,246	194,647

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

13. Investment properties (cont'd)

Investment properties comprise both commercial and residential properties that are leased to external parties. Rental income from investment properties is disclosed in Note 6 to the financial statements. Expenses incurred for the maintenance of the investment properties during the rent tenure were borne by the tenants.

The investment properties of the Group with a carrying amount of RM99,091,522 (2024: RM78,602,239) are pledged to secure banking facilities granted to the Group as disclosed in Note 24.

Fair value of investment properties are as follows:

	Level 2	
	2025 RM'000	2024 RM'000
Land and buildings	<u>1,279,133</u>	<u>820,183</u>

The fair value disclosure of investment properties is categorised in Level 2 of the fair value hierarchy. Level 2 fair values of land and buildings have been generally derived using the estimated selling price of comparable properties in close proximity that are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

In estimating the fair value of properties, the highest and best use of the properties is their current use.

14. Rights-of-use assets

Group	Buildings RM'000
Cost	
At 1 January 2025	32,004
Remeasurement	4,420
Lease termination	<u>(27,519)</u>
At 31 December 2025	<u>8,905</u>
Accumulated amortisation	
At 1 January 2025	21,570
Charge during the financial year	3,815
Remeasurement	4,420
Lease termination	<u>(27,314)</u>
At 31 December 2025	<u>2,491</u>
Net carrying amounts	
At 31 December 2025	<u>6,414</u>

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

14. Rights-of-use assets (cont'd)

Group	Buildings RM'000
Cost	
At 1 January 2024	31,721
Additions	283
At 31 December 2024	32,004
Accumulated amortisation	
At 1 January 2024	15,491
Charge during the financial year	6,079
At 31 December 2024	21,570
Net carrying amounts	
At 31 December 2024	10,434

15. Land held for investment

	Group	
	2025 RM'000	2024 RM'000
Freehold lands:		
Cost		
At 1 January	2,500	2,500
Addition	1,498	-
At 31 December	3,998	2,500

16. Inventories

	Group	
	2025 RM'000	2024 RM'000
Raw material	28,292	31,061
Work-in-progress	19,970	21,789
Finished goods	22,774	32,974
	71,036	85,824

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

16. Inventories (cont'd)

Movement of impairment on inventories during the financial year are as follows:

	Group	
	2025 RM'000	2024 RM'000
At 1 January	2,024	1,882
Addition	2,120	727
Reversal	(716)	(585)
At 31 December	<u>3,428</u>	<u>2,024</u>
<u>Recognised in profit or loss:</u>		
Inventories recognised as cost of sales	79,389	130,897
Inventories written down	2,120	727
Reversal of inventories write down	(716)	(585)

17. Trade and other receivables

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade receivables				
Third parties	26,458	26,206	-	-
Less: Impairment loss				
At 1 January	1,490	828	-	-
Charge for the year:				
(1) - expected credit loss	118	14	-	-
(2) - credit impaired	1,174	731	-	-
Reversal of impairment	(246)	(83)	-	-
Bad debt recovered	(23)	-	-	-
At 31 December	<u>2,513</u>	<u>1,490</u>	<u>-</u>	<u>-</u>
Total trade receivables	<u>23,945</u>	<u>24,716</u>	<u>-</u>	<u>-</u>

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

17. Trade and other receivables (cont'd)

Other receivables

Other receivables	1,131	2,345	-	510
Less: Impairment loss	(51)	(51)	-	-
Total other receivables	1,080	2,294	-	510
Deposits	3,186	3,099	-	-
Prepayments	9,168	918	-	-
Trade and other receivables	37,379	31,027	-	510

The Group's normal trade credit terms range from 30 to 120 days (2024: 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

The ageing analysis of the Group's trade receivables at the end of the reporting period is as follows:

	Gross amount RM'000	Loss allowances RM'000	Carrying amount RM'000
Group			
2025			
Not past due	12,107	(47)	12,060
- Past due 0 - 30 days	6,499	(7)	6,492
- Past due 31 - 60 days	2,837	(6)	2,831
- Past due more than 60 days	5,015	(85)	4,930
	14,351	(98)	14,253
Individually credit impaired	-	(2,368)	(2,368)
	26,458	(2,513)	23,945
2024			
Not past due	12,941	-	12,941
- Past due 0 - 30 days	6,178	-	6,178
- Past due 31 - 60 days	3,143	-	3,143
- Past due more than 60 days	3,944	(27)	2,454
	13,265	(27)	13,238
Individually credit impaired	-	(1,463)	(1,463)
	26,206	(1,490)	24,716

18. Short-term investments

Short-term investments represent deposit placements with licensed banks and investment fund management company that are readily convertible into cash with insignificant risk of changes in values.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

19. Derivative financial assets/(liabilities)

	Group	
	2025 RM'000	2024 RM'000
Derivatives held for trading at fair value through profit or loss:		
Forward foreign exchange contracts:		
- assets	22	-
- liabilities	-	(56)

The Group uses forward foreign exchange contracts to manage foreign currency exposure in export of processed timber products denominated in currencies other than the functional currency of entities in the Group.

At the end of the reporting period, the settlement dates on open forward contracts range from 1 to 2 months (2024: 1 to 2 months).

Maturity period of forward foreign exchange contracts of the Group as at end of the reporting period are as follows:

Settlement month	Currency to be paid	Amount in foreign currency to be paid	Contractual rates	Amount to be received (RM)
2025				
January 2026	USD	96,153	4.1635 – 4.1655	400,429
January 2026	EUR	47,448	4.9066 – 4.9453	233,684
February 2026	USD	38,000	4.1070	156,066
February 2026	EUR	25,000	4.8452	121,130
2024				
January 2025	USD	1,148,301	4.1909 – 4.6887	5,113,009
January 2025	AUD	28,000	2.8183	78,912
February 2025	USD	340,500	4.2651 – 4.4995	1,489,861
February 2025	AUD	28,000	2.8143	78,800

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

20. Fixed deposits with licensed banks

Fixed deposits held by the Group include an amount of RM14,984,576 (2024: RM10,371,956) pledged for bank guarantee facilities granted to the Group as disclosed in Note 24.

The maturity period of deposits with licensed banks as at 31 December 2025 is within 12 months (2024: within 15 months).

21. Cash and cash equivalents

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances	33,298	30,558	5,340	1,157
Fixed deposits with licensed banks	27,611	22,147	-	-
Less: Fixed deposits pledge to licensed banks	(14,985)	(10,372)	-	-
	12,626	11,775	-	-
Short-term investments	7,816	7,579	2,738	2,670
	53,740	49,912	8,078	3,827
Less: Bank overdrafts (Note 24)	(3,874)	(4,496)	-	-
	49,866	45,416	8,078	3,827

22. Share capital

	2025		2024	
	Number of shares '000	Share capital RM'000	Number of shares '000	Share capital RM'000
Ordinary shares				
At 1 January/31 December	356,724	206,368	356,724	206,368

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

22. Share capital (cont'd)

22.1 Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In respect of the Company's treasury shares that are held by the Group, all rights are suspended until those shares are reissued.

23. Other reserves

	Group	
	2025 RM'000	2024 RM'000
Reserve on consolidation	13,464	13,464

24. Loans and borrowings

	Group	
	2025 RM'000	2024 RM'000
Current		
Bankers' acceptance and letters of credit	6,186	3,903
Bank overdrafts	3,874	4,496
Hire purchase payables	403	463
Term loans	1,273	1,509
	<u>11,736</u>	<u>10,371</u>
Non-current		
Hire purchase payables	414	823
Term loans	8,966	10,027
	<u>9,380</u>	<u>10,850</u>
	<u>21,116</u>	<u>21,221</u>
Total loans and borrowings:		
Bankers' acceptance and letters of credit	6,186	3,903
Bank overdrafts	3,874	4,496
Hire purchase payables	817	1,286
Term loans	10,239	11,536
	<u>21,116</u>	<u>21,221</u>

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

24. Loans and borrowings (cont'd)

The remaining maturity period of loans and borrowings as at 31 December 2025 and comparative prior year are as follows:

	Group	
	2025 RM'000	2024 RM'000
Maturity of loans and borrowings:		
Within one year	11,736	10,371
More than one year and less than two years	1,358	1,568
More than two years and less than five years	3,453	3,665
More than five years	4,569	5,617
	<u>21,116</u>	<u>21,221</u>

Bankers' acceptance, bank overdraft and letter of credit bear interest rates range from 1.25% to 3.88% (2024: 1.25% to 7.40%) per annum. Term loans bear interest rates range from 4.23% to 10.40% (2024: 1.50% to 4.72%) per annum. Hire purchase payables bear interest rates ranging from 2.18% to 2.98% (2024: 2.18% to 4.68%).

Loans and borrowings are secured by the following:

- Legal charge over property, plant and equipment of certain subsidiaries as disclosed in Note 12 and Note 13 to the financial statements;
- Fixed and floating charges over assets of the Company's wholly owned subsidiaries, Lionvest Corporation (Pahang) Sdn. Bhd. and Syarikat Minho Kilning Sdn. Bhd.;
- Corporate guarantee by Minho (M) Berhad;
- Joint and several guarantee from all Directors of the Group and of the Company; and
- Deposits held under lien by licensed banks (Note 20).

Significant covenants

The term loans of the Group are subject to the following significant financial covenants:

- Shall not declare dividend or pay dividend exceeding 50% of the year's profit after tax;
- Declaration of dividend more than 50% is allowed provided that the Group's tangible net worth is to be maintained at no less than RM20,000,000;
- Maintain debt equity ratio of 0.50 to 1.50 times;

As at 31 December 2025, the Group complies with the above financial covenants.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

25. Lease liabilities

	Group	
	2025 RM'000	2024 RM'000
At 1 January	10,789	16,637
New lease liabilities during the year	-	283
Termination of lease	(207)	-
Lease interest (Note 7)	47	241
Less: lease payments	(4,207)	(6,372)
At 31 December	<u>6,422</u>	<u>10,789</u>

	Group	
	2025 RM'000	2024 RM'000
Minimum lease payments:		
Not later than 1 year	5,342	8,183
Later than 1 year and not later than 2 years	1,580	1,937
Later than 2 year and not later than 5 years	49	1,588
	<u>6,971</u>	<u>11,708</u>
Less: Future finance charges	(549)	(919)
Present value of lease liabilities	<u>6,422</u>	<u>10,789</u>

Present value of minimum lease payments:		
Not later than 1 year	5,018	7,737
Later than 1 year and not later than 2 years	1,404	1,662
Later than 2 year and not later than 5 years	-	1,390
	<u>6,422</u>	<u>10,789</u>
Less: Amount due within 12 months	(5,018)	(7,737)
Amount due after 12 months	<u>1,404</u>	<u>3,052</u>

Lease liabilities bore incremental borrowing rate and interest rate implicit in lease between 2.18% and 10.00% (2024: 2.18% and 10.00%) per annum.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

25. Lease liabilities (cont'd)

(a) Cash flows for lease as lessee

(3)

	Group	
	2025 RM'000	2024 RM'000
Included in net cash from operating activities		
Payment relating to short-term and low value assets leases	2,798	430
Included in net cash from financing activities		
Payment of lease liabilities	4,160	6,131
Interest paid in relation to lease liabilities	47	241
	<u>7,005</u>	<u>6,802</u>

26. Deferred tax liabilities

	Group	
	2025 RM'000	2024 RM'000
At 1 January	12,801	12,489
Recognised in profit or loss (Note 10)	441	312
At 31 December	<u>13,242</u>	<u>12,801</u>

27. Trade and other payables

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade				
Trade payables	<u>13,732</u>	<u>13,098</u>	-	-
Non-trade				
Accruals	4,151	5,291	58	158
Deposits received	6,982	5,634	-	-
Other payables	5,241	1,315	-	-
Amounts due to related parties	2,242	1,094	-	-
	<u>18,616</u>	<u>13,334</u>	<u>58</u>	<u>158</u>
Trade and other payables	<u>32,348</u>	<u>26,432</u>	<u>58</u>	<u>158</u>

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

27. Trade and other payables (cont'd)

The normal trade credit terms granted to the Group range from 30 to 120 days (2024: 30 to 120 days).

Amounts due to related parties are trade and non-trade in nature. They are unsecured, interest-free and repayable on demand in cash and cash equivalents.

28. Investments in subsidiaries

	Company	
	2025	2024
	RM'000	RM'000
Unquoted shares:		
At cost	346,643	349,643
Less: Allowance for impairment losses	(198,553)	(198,553)
	<u>148,090</u>	<u>151,090</u>

Movement of the impairment on investment in subsidiaries is as follow:

	Company	
	2025	2024
	RM'000	RM'000
At 1 January	198,553	200,032
Addition	-	51
Reversal of impairment on investment in subsidiaries	-	(1,530)
At 31 December	<u>198,553</u>	<u>198,553</u>

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

28. Investments in subsidiaries (cont'd)

Details of the subsidiaries are as follows:

Name of company	Principal place of business	Effective equity interest		Principal activities
		2025 %	2024 %	
Syarikat Minho Kilning Sdn. Bhd.	Malaysia	100	100	Timber kiln drying and its related activities and letting of properties
Syarikat Vinco Timber Industries Sdn. Bhd.	Malaysia	100	100	Investment holding
Costraco Sdn. Bhd. ("Costraco")	Malaysia	51	51	Export of processed timber products
Indah Paper Industries Sdn. Bhd.	Malaysia	100	100	Manufacturing and distribution of industrial paper bags
Victory Enterprise Sdn. Bhd.	Malaysia	100	100	Manufacturing and exporting of sawn timber, dealing in moulded timber and trading of garden furniture
Lionvest Corporation (Pahang) Sdn. Bhd. ("LionCorp")	Malaysia	100	100	Exploitation of timber concessions, trading in timber logs, operation of an integrated timber complex and letting of premises

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

28. Investments in subsidiaries (cont'd)

Details of the subsidiaries are as follows: (cont'd)

Name of company	Principal place of business	Effective equity interest		Principal activities
		2025 %	2024 %	
My Squares Development Sdn. Bhd. ("MySquares")	Malaysia	51	51	Property development and building construction
Idaman Heights Sdn. Bhd. ⁽¹⁾	Malaysia	100	100	Investment holding
Lionvest Plantation Sdn. Bhd. ⁽¹⁾⁽²⁾ ("LionP")	Malaysia	51	51	In the process of winding up
Subsidiary of LionCorp Lionvest Timber Industries Sdn. Bhd.	Malaysia	51	51	Sawmilling, dealing in timber and its related products
Subsidiary of Costraco Euro-CGA Sdn. Bhd.	Malaysia	31	31	Manufacturing, marketing and exporting moulded timber products
Subsidiary of MySquares ML Setia Sdn. Bhd. ⁽¹⁾	Malaysia	25	-	Investment holding

⁽¹⁾ Audited by firm of auditors other than ECOVIS MALAYSIA PLT

⁽²⁾ The financial information of LionP included in the consolidated financial statements have not been audited and had been prepared from its management accounts.

On 30 December 2024, LionP had commenced its members' voluntary winding up pursuant to Section 439(1)(b) of the Companies Act 2016 and the process is still on going as at the end of the reporting period.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

29. Goodwill

	Group	
	2025 RM'000	2024 RM'000
At 1 January	-	-
Acquisition of subsidiary	1,501	-
At 31 December	1,501	-

The recoverable amount of cash-generating unit ("CGU") containing the goodwill has been determined based on value in use calculations using cash flows projection from financial forecast approved by management covering a five-year period. Based on the sensitivity analysis performed, management believes that there is no reasonably possible change in key assumptions that would cause the carrying values of the CGU to exceed its recoverable amount. As a result of the analysis, management did not identify an impairment for the CGU.

30. Dividend paid

	Company	
	2025 RM'000	2024 RM'000
Single tier interim dividend paid on ordinary shares of 0.85 sen (2024: 0.85 sen) per share.	3,032	3,032

31. Significant related party disclosures

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the party 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 or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company directly, or indirectly. The key management personnel include all the Directors of the Company, and certain members of senior management of the Group or the Company.

The Group and the Company have related party relationship with companies within Minho (M) Berhad group, Directors, companies of Directors and their close members of family and key management personnel.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

31. Significant related party disclosures (cont'd)

(a) Significant related party transactions

Related party transactions have been entered into the normal course of business under terms agreed between companies within the Group and the related parties. The significant related party transactions of the Group and of the Company are as follows:

		Group		
		Amount outstanding (to)/from as at		Amount outstanding (to)/from as at
	2025 RM'000	31.12.2025 RM'000	2024 RM'000	31.12.2024 RM'000
Purchase of logs				
- D.M. Timber Sdn. Bhd.	1,766	(1,075)	895	(1,075)
- Mahawangsa Timber Industries Sdn. Bhd.	1,347	-	-	-
Purchase of sawn timber and its related product				
- Mahawangsa Timber Industries Sdn. Bhd.	2,972	-	7,375	3
Sales of sawn timber and its related product				
- Mahawangsa Timber Industries Sdn. Bhd.	(489)	67	(603)	136
Rental of premise charged by a related party				
- Minho Kilning (Klang) Sdn. Bhd.	6,308	-	6,144	-

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

31. Significant related party disclosures (cont'd)

(a) Significant related party transactions (cont'd)

The details of related party relationships are as follows:

<u>Related parties</u>	<u>Relationship</u>
D.M. Timber Sdn. Bhd.	Dato' Loo Keng Ann is the Managing Director of Minho (M) Berhad and also a director of D.M. Timber Sdn. Bhd.
Minho Kilning (Klang) Sdn. Bhd.	Minho Kilning (Klang) Sdn. Bhd. is a wholly owned subsidiary of Minho Holdings Sdn. Bhd., the major shareholder of Minho (M) Berhad.
Mahawangsa Timber Industries Sdn. Bhd.	Loo Say Cheng is a director of Lionvest Timber Industries Sdn. Bhd. and also a Director of Mahawangsa Timber Industries Sdn. Bhd.

(b) Compensation of Directors and key management personnel

The remuneration of Directors and key management personnel during the year are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fees	722	816	60	60
Salary, allowance, bonus and defined contribution plans	4,214	4,340	177	166
Benefits-in-kind	103	75	-	-
	<u>5,039</u>	<u>5,231</u>	<u>237</u>	<u>226</u>

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

32. Financial instruments (cont'd)

32.2 Net gains/(losses) arising from financial instruments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net gains/(losses) arising from:				
Financial assets measured at amortised cost	(152)	(152)	40	41
Financial assets measured at fair value through profit or loss	278	257	67	77
Financial liabilities measured at amortised cost	(1,238)	(1,350)	-	-
Financial liabilities measured at fair value through profit or loss	-	(56)	-	-
	<u>(1,112)</u>	<u>(1,301)</u>	<u>107</u>	<u>118</u>

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

33. Financial instruments (cont'd)

32.3 Fair values of financial instruments

The following summarises the methods used to determine the fair values of the financial instruments:

- (i) The carrying amounts of short term receivables and payables, cash and cash equivalents approximate their fair values due to the relatively short-term maturity of these financial instruments and insignificant impact of discounting.
- (ii) The carrying amount of the borrowings approximated their fair values as these instruments bear interest at variable rates except for fixed rate lease liabilities and banker acceptances. The carrying amount of fixed rate lease liabilities and banker acceptances are considered to be reasonably close to its fair value as the effective interest rate of fixed rate lease liabilities and banker acceptances are approximate to the observable current market interest rates.

32.4 Fair value hierarchy

Group	Fair value of financial instruments carried at fair value			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2025				
Short-term investments	-	7,816	-	7,816
Derivative financial assets	-	22	-	22
				<hr/>
2024				
Short-term investments	-	7,579	-	7,579
Derivative financial assets	-	(56)	-	(56)
				<hr/>

33. Financial risk management objectives and policies

The Group's and the Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing their risks. The Group's and the Company's policies are not to engage in speculative transactions.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

33. Financial risk management objectives and policies (cont'd)

(a) Market risk

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasuries activity are set out as follows:

(i) Foreign currency risk management

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

The transactional currency exposure arising from financial assets that are denominated in a currency other than functional currency, is as follow:

	Group	
	2025	2024
	RM'000	RM'000
USD		
Financial assets		
Trade and other receivables	7,078	6,910
Derivative financial assets	12	-
Short-term investments	7,163	-
Cash and bank balances	610	4,564
	<u>14,863</u>	<u>11,474</u>
Financial liabilities		
Trade and other payables	(1,253)	(551)
Derivative financial liabilities	-	(58)
	<u>13,610</u>	<u>10,865</u>
SGD		
Financial assets		
Trade and other receivables	528	24
Cash and bank balances	332	2,972
	<u>860</u>	<u>2,996</u>
Financial liabilities		
Trade and other payables	(332)	(266)
	<u>528</u>	<u>2,730</u>

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

33. Financial risk management objectives and policies (cont'd)

(a) Market risk (cont'd)

(i) Foreign currency risk management (cont'd)

The transactional currency exposure arising from financial assets that are denominated in a currency other than functional currency, is as follow: (cont'd)

	Group	
	2025	2024
	RM'000	RM'000
EURO		
Financial assets		
Derivative financial assets	10	-
Cash and bank balances	2	2
	<u>12</u>	<u>2</u>
Financial liabilities		
Trade and other payables	(437)	(10)
	<u>(425)</u>	<u>(8)</u>
AUD		
Financial assets		
Derivative financial assets	-	2

Sensitivity analysis for foreign currency risk

A 10% foreign currency fluctuation of the RM against following currencies at the end of reporting date would increase/(decrease) in Group's profit after tax as per below. The analysis assumes that all other variables remain unchanged.

	Group	
	2025	2024
	RM'000	RM'000
United States Dollar	1,034	826
Others	<u>8</u>	<u>206</u>

(ii) Interest rate risk

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

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

33. Financial risk management objectives and policies (cont'd)

(a) Market risk (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasuries activity are set out as follows: (cont'd)

(ii) Interest rate risk (cont'd)

The Group's and the Company's exposure to interest rate risk arises primarily from their floating rate term loans and borrowings of entities within the Group. Investment in equity securities and short-term receivables and payables are not significantly exposed to interest rate risk. The Group's and the Company's policy is to manage interest cost using a mix of fixed and floating rate debts.

The interest rate profile of the Group significant interest bearing financial instruments, based on the carrying amounts as at the end of the reporting years were:

	Group	
	2025	2024
	RM'000	RM'000
Fixed rate instruments		
<i>Financial asset</i>		
Fixed deposits placed with licensed bank	27,611	22,147
Short-term investments	<u>7,816</u>	<u>7,579</u>
<i>Financial liabilities</i>		
Loans and borrowings	6,422	10,789
Lease liabilities	<u>7,003</u>	<u>5,188</u>
Floating rate instruments		
<i>Financial liabilities</i>		
Loans and borrowings	<u>14,113</u>	<u>16,032</u>

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

33. Financial risk management objectives and policies (cont'd)

(a) Market risk (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasuries activity are set out as follows: (cont'd)

(ii) Interest rate risk (cont'd)

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis for a reasonably possible change in interest rates as the end of the reporting period with all other variables held constant:

	Group	
	Increase/ (Decrease) 2025 RM'000	Increase/ (Decrease) 2024 RM'000
Effect on profit after tax		
Increases 100 basis point	107	122
Decreases 100 basis point	<u>(107)</u>	<u>(122)</u>
Effect on equity		
Increases 100 basis point	107	122
Decreases 100 basis point	<u>(107)</u>	<u>(122)</u>

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and Company's exposure to credit risk arises primarily from trade and other receivables, short-term investments, deposits with licensed banks and bank balances. The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Group and the Company consider a financial asset to be in default when the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor is not able to repay the amount subject to the write off. However, financial assets that are written off are still subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

33. Financial risk management objectives and policies (cont'd)

(b) Credit risk (cont'd)

(i) Trade receivables

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amount in the statement of financial position.

In determining the recoverability of trade receivables, the Group considers any change in credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss arising from defaults. The Group uses ageing analysis to monitor the credit quality of trade receivables.

Ageing analysis

The ageing analysis of the Company's trade receivables is disclosed in Note 17.

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

Trade receivables that are past due but not impaired

As at the end of the reporting period, trade receivables of the Group of RM11,884,525 (2024: RM11,775,238) was past due but not impaired. These are not secured by any collateral or supported by any other credit enhancement.

Trade receivables that are past due and impaired

The movement in the allowance for impairment losses of trade receivables during the financial year is disclosed in Note 17.

Credit risk concentration profile

The Group has no significant concentration of credit risk that may arise from exposure to a single receivable or to a group of receivables.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

33. Financial risk management objectives and policies (cont'd)

(b) Credit risk (cont'd)

(ii) Trade receivables (cont'd)

Exposure to credit risk, credit quality and collateral

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of trade receivables as at the end of the reporting period.

The exposure of credit risk for trade receivables as at the end of the reporting period by geographical region is as follows:

	Group	
	2025	2024
	RM'000	RM'000
Malaysia	16,704	17,772
Europe	4,551	5,819
Indonesia	441	315
Philippines	255	91
Singapore	1,148	29
Thailand	351	-
United States of America	-	275
Vietnam	486	413
Hong Kong	7	2
	<u>23,943</u>	<u>24,716</u>

Expected credit losses

The Group applies the simplified approach to provide lifetime expected credit losses ("ECL") for all trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and days past due. The expected credit losses below also incorporate forward-looking information such as a forecast of economic conditions where the gross domestic product will decrease over the next year, leading to an increase in the number of defaults.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

33. Financial risk management objectives and policies (cont'd)

(b) Credit risk (cont'd)

(i) Trade receivables (cont'd)

Expected credit losses

The loss allowance provision as at the end of each reporting period is determined as follows:

	Current	30 days past due	60 days past due	90 days past due	120 days past due	More than 120 days past due	Total
<u>Group and Company</u>							
2025							
Expected loss rates (%)	0.41	0.11	0.22	0.14	3.73	1.55	
Gross carrying amount (RM'000)	12,107	6,499	2,837	1,311	1,146	2,558	
Lifetime ECL (RM'000)	47	7	6	2	43	40	145
Individually credit impaired (RM'000)	-	-	-	-	-	2,368	2,368
Total impairment loss (RM'000)							<u>2,513</u>
2024							
Expected loss rates (%)	-	-	-	-	-	1.37	
Gross carrying amount (RM'000)	12,941	6,178	3,143	1,334	631	1,979	
Lifetime ECL (RM'000)	-	-	-	-	-	27	27
Individually credit impaired (RM'000)	-	-	-	-	-	1,463	1,463
Total impairment loss (RM'000)							<u>1,490</u>

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

33. Financial risk management objectives and policies (cont'd)

(b) Credit risk (cont'd)

(ii) Other receivables and other financial assets

For other receivables and other financial assets (including short-term investments, derivative financial assets, deposits with licensed banks and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. Short-term investments are made only in liquid securities and only with counterparties that are reputable and have a strong credit rating. Transactions involving derivative financial instruments are with approved financial institutions.

At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other financial assets is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

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

At the end of the reporting period, the Group and the Company consider other receivables and other financial assets to have low credit risk and any loss allowances would be negligible.

Exposure to credit risk, credit quality and collateral

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations. Other than deposits with a licensed bank and bank balances that are protected to an extent by Perbadanan Insurans Deposit Malaysia, other financial instruments are unsecured.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

33. Financial risk management objectives and policies (cont'd)

(b) Credit risk (cont'd)

(iii) Bank guarantees

The Group has bank guarantees granted by banks in respect of payment guarantee to third parties.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM814,626 (2024: RM1,395,470) representing the outstanding bank guarantee at the end of the reporting period.

As at the end of the reporting period, there was no indication that the bank guarantee will crystallise.

The bank guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to services provided by a third party.

(iv) Financial guarantee

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries as disclosed in Note 24. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM15,605,533 (2024: RM15,061,730). representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 33(c). As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantees.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to subsidiaries' secured borrowings.

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings and lease liabilities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

33. Financial risk management objectives and policies (cont'd)

(c) Liquidity risk

The following table sets out the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted repayment obligations:

	Weighted average effective rate %	Contractual cash flows				
		Carrying amount RM'000	Total RM'000	Within 1 year RM'000	1 – 5 years RM'000	More than 5 years RM'000
2025						
Group						
Trade and other payables		32,348	32,348	32,348	-	-
Loan and borrowings	1.25% – 7.40%	21,116	25,688	12,549	7,812	5,327
Lease liabilities	2.18% – 10.00%	6,422	6,971	5,342	1,629	-
		59,886	65,007	50,239	9,441	5,327
2025						
Company						
Trade and other payables		58	58	58	-	-
Financial guarantee contracts *		15,605	15,605	15,605	-	-
		15,663	15,663	15,663	-	-

* This has been included for illustration purposes only as the related financial guarantee contracts have not crystallised as at the end of reporting period.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

33. Financial risk management objectives and policies (cont'd)

(c) Liquidity risk (cont'd)

The following table sets out the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted repayment obligations: (cont'd)

	Weighted average effective rate %	Contractual cash flows				
		Carrying amount RM'000	Total RM'000	Within 1 year RM'000	1 – 5 years RM'000	More than 5 years RM'000
2024						
Group						
Trade and other payables		26,432	26,432	26,432	-	-
Loan and borrowings	2.00 – 5.51	21,221	26,072	10,886	8,473	6,713
Lease liabilities	2.45 – 3.67	10,789	11,708	8,183	3,525	-
		58,442	64,212	45,501	11,998	6,713
2024						
Company						
Trade and other payables		158	158	158	-	-
Financial guarantee contracts *		15,062	15,602	15,602	-	-
		15,220	15,760	15,760	-	-

* This has been included for illustration purposes only as the related financial guarantee contracts have not crystallised as at the end of reporting period.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

34. Capital management

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group and the Company manage its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2025 and 31 December 2024.

The Group and the Company monitor capital using the debt to equity ratio, which is total debt divided by total equity. The Group's and the Company's policy is to keep lower debt to equity ratio at a level deemed appropriate considering business, economic and investment conditions.

The gearing ratio as at the end of the reporting period is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade and other payables	32,348	26,432	58	158
Loan and borrowings	21,116	21,221	-	-
Lease liabilities	6,422	10,789	-	-
Total debt	<u>59,886</u>	<u>58,442</u>	<u>58</u>	<u>158</u>
Total equity	<u>442,315</u>	<u>443,201</u>	<u>156,301</u>	<u>155,802</u>
Debt to equity ratio (times)	<u>0.14</u>	<u>0.13</u>	<u>*</u>	<u>*</u>

* Insignificant

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

35. Capital commitment

	Group	
	2025 RM'000	2024 RM'000
Approved and contracted for		
Property, plant and equipment	14,291	-

36. Operating segments

The Board of Directors is the Group's chief operating decision maker ("CODM").

The CODM assesses the performance of the operating segments based on profit before tax.

(a) Reporting format

The Group operates principally in the timber industry and the primary reportable segments are the business segments categorised by the different products and services produced. Each business segment is the Group's strategic business unit. The strategic business units are organised and managed separately because of the differences in the nature of products and services provided and markets served.

(b) Reportable segments

The Group operates on the following main business segments:

- | | |
|----------------------------|---|
| (i) Timber extraction | - exploitation of forest concession and sales of timber logs |
| (ii) Timber trading | - sales of processed sawn timber and its related products |
| (iii) Manufacturing | - manufacturing of rough sawn timber, moulded timber and its related products, manufacturing and distribution of industrial paper bags |
| (iv) Service and treatment | - providing timber kiln drying and chemical preservative treatment |
| (v) Property development | - property development and building construction |
| (vi) Others | - investment holdings, leasing of timber rights and rental of equipment. None of these segments met the quantitative threshold for reporting segments in 2025 and 2024. |

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

36. Operating segments (cont'd)

(c) Segment assets

The total of segment assets is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total assets is used to measure the return on assets of each segment.

(d) Segment liabilities

Segment liabilities information comprise total liabilities of each segment reported in the internal management report to the CODM. The CODM reviews segment liabilities information to monitor liquidity of each segment.

(e) Geographical segments

The Group only operates within Malaysia.

(f) Allocation basis and transfer pricing

Segment profit before tax, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Transfer prices between business segments are set on terms agreed between transacting parties. Segment revenue, expenses and results include transfers between business segments which are eliminated on consolidation.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

36. Operating segments (cont'd)

2025	Timber extraction RM'000	Timber trading RM'000	Manufacturing RM'000	Services and treatment RM'000	Property development RM'000	Others RM'000	Elimination RM'000	Total RM'000
Segment (loss)/profit before tax	-	361	6,126	7,341	74	1,988	(4,203)	11,687
Included in the measure of segment profit are:								
External sales	-	38,981	105,072	32,864	-	936	-	177,853
Inter segment sales	-	1,601	3,820	5,126	-	4,360	(15,112)	-
Total revenue	-	40,582	108,892	37,990	-	5,501	(15,112)	177,853
Depreciation	-	(648)	(4,216)	(1,882)	(159)	(1,041)	-	(7,946)
Amortisation of rights-of- use assets	-	-	(1,553)	(4,376)	-	-	2,114	(3,815)
Reversal of impairment loss on property, plant and equipment	-	-	-	3,012	-	-	-	3,012
Rental income of land and buildings	-	2,765	7,497	-	366	-	(2,187)	8,441
Net foreign exchange								
- realised gain, net	-	62	307	-	-	-	-	369
- unrealised gain, net	-	136	705	-	-	-	-	841
Finance costs	-	(18)	(812)	(602)	-	(28)	459	(1,002)
Interest income	-	414	290	201	25	83	-	1,014
Tax expense	-	(1,754)	(1,737)	(2,629)	(62)	(144)	-	(6,326)

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

36. Operating segments (cont'd)

	Timber extraction RM'000	Timber trading RM'000	Manufacturing RM'000	Services and treatment RM'000	Property development RM'000	Others RM'000	Elimination RM'000	Total RM'000
2025 (cont'd)								
Segment assets	-	62,273	217,930	180,715	12,450	43,619	(1,545)	515,443
Segment liabilities	-	4,049	42,157	22,835	1,693	1,994	399	73,128
	Timber extraction RM'000	Timber trading RM'000	Manufacturing RM'000	Services and treatment RM'000	Property development RM'000	Others RM'000	Elimination RM'000	Total RM'000
2024								
Segment (loss)/profit before tax	(395)	1,403	6,944	321	204	4,960	(4,087)	9,350
Included in the measure of segment profit are:								
External sales	-	52,867	109,495	32,079	-	3,144	-	197,585
Inter segment sales	-	2,096	6,261	6,723	-	2,371	(17,451)	-
Total revenue	-	54,963	115,756	38,802	-	5,515	(17,451)	197,585
Depreciation	-	(557)	(4,217)	(1,903)	(26)	(441)	-	(7,144)
Amortisation of rights-of-use assets	-	-	(1,574)	(6,077)	-	-	1,572	(6,079)

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

36. Operating segments (cont'd)

2024 (cont'd)	Timber extraction RM'000	Timber trading RM'000	Manufacturing RM'000	Services and treatment RM'000	Property development RM'000	Others RM'000	Elimination RM'000	Total RM'000
Impairment loss on property, plant and equipment	-	-	-	(3,012)	-	-	-	(3,012)
Rental income of land and buildings	-	1,752	7,165	11,135	360	-	(2,041)	7,236
Net foreign exchange								
- realised loss, net	-	-	80	-	-	-	-	80
- unrealised gain, net	-	82	5	-	-	-	-	87
Finance costs	-	(75)	(1,066)	(637)	-	(10)	438	(1,350)
Interest income	-	216	380	121	26	98	-	841
Tax expense	-	(1,859)	(1,106)	(166)	(60)	(424)	-	(3,615)
Segment assets	-	59,777	220,298	178,808	12,346	45,699	(2,301)	514,627
Segment liabilities	-	3,250	37,686	26,061	102	2,883	1,444	71,426

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

37. Significant event during the financial year

On 27 December 2024, Syarikat Vinco Timber Industries Sdn. Bhd. had proposed a capital reduction exercise 3,000,000 units of shares amounting to RM3,000,000 to 100 units of shares totaling RM100. The capital reduction exercise was successfully completed in February 2025.

On 11 September 2025, Indah Paper Industries Sdn. Bhd. ("IPI") entered into an option to purchase agreement with a third party to dispose a freehold land with carrying amount of RM13,523,954 for RM59,330,674. IPI had received an option fee of RM593,307 where it is entitled to 50% of the option fee if the third party does not exercise the purchase option by 31 December 2025. On 15 December 2025, the third party had obtained the agreement of IPI to extend the expiry date of the purchase option.

38. Comparative figures

The comparative figures have been reclassified to conform with the current year's presentation. The reclassification have no effect on the profit, cash flows and earnings per share of the Group for the current and previous financial year.

In the previous financial year, plant and machinery and forklift, trucks and motor vehicles under hire purchase arrangement and the related hire purchase payables of the Group were classified in right-of-use assets and lease liabilities respectively.

During the financial year, the nature of the hire purchase arrangement of the Group was re-assessed, and the plant and machinery and forklift, trucks and motor vehicles and related hire purchase payables were reclassified as property, plant and equipment and loans and borrowings respectively.

Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Cont'd)

38. Comparative figures (cont'd)

The effects arising for the reclassification are as follows:

	As previously reported RM'000	Reclassification RM'000	As reclassified RM'000
Group			
Statement of Financial Position as at 31 December 2024			
Assets			
Non-current assets			
Property, plant and equipment	124,868	1,493	126,361
Right-of-use assets	11,927	(1,493)	10,434
	<hr/>	<hr/>	<hr/>
Liabilities			
Non-current liabilities			
Loans and borrowings	10,027	823	10,850
Lease liabilities	3,875	(823)	3,052
	<hr/>	<hr/>	<hr/>
Current liabilities			
Loans and borrowings	9,908	463	10,371
Lease liabilities	8,200	(463)	7,737
	<hr/>	<hr/>	<hr/>

Independent Auditors' Report To the Members of Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **Minho (M) Berhad** ("the Company"), which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of 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 95 to 167.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting 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 IESBA Code.

ECOVIS MALAYSIA PLT 20104001750 (LLP0003185-LCA) & AF 001825 Chartered Accountants, D-10-03, Level 10, EXSIM Tower, Millerz Square @ Old Klang Road, Megan Legasi, No. 357, Jalan Kelang Lama, 58000 Kuala Lumpur, Malaysia **Phone:** +60(3) 7986 0066 **E-Mail:** kuala-lumpur@ecovis.com.my

A member of ECOVIS International tax advisors, accountants, auditors and lawyers, operating in more than 90 countries worldwide.

ECOVIS International is a Swiss association. Each Member Firm is an independent legal entity in its own country and is only liable for its own acts or omissions, not those of any other entity. ECOVIS MALAYSIA PLT is a Malaysia member firm of ECOVIS International.

Independent Auditors' Report To the Members of Minho (M) Berhad (Cont'd)

(Incorporated in Malaysia)
Registration No. 199001009358 (200930-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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.

(i) Impairment assessment of property, plant and equipment and investment properties (Group)

(Refer to Note 4(g), Note 12 and Note 13 to the financial statements)

The aggregate carrying amount of property, plant and equipment and investment properties of the Group as at 31 December 2025 amounted to RM323,705,163, representing 63% of the Group's total assets.

The Group identified impairment indicators arising from operating losses and accordingly performed an impairment assessment on the relevant cash-generating units ("CGUs") to which the property, plant and equipment and investment properties belong. The recoverable amounts were determined based on value in use or fair value less costs of disposal, where applicable. As the recoverable amounts exceeded the carrying amounts of the respective CGUs, no impairment loss was recognised.

We considered this to be an area of audit focus due to significant estimates and judgements that were applied in determining the recoverable amounts. Our audit procedures included the following:

- Obtained understanding of the Group's process of estimating the recoverable amounts of the CGUs;
- Discussed with management the approach and assumptions applied in determining the recoverable amounts;
- Evaluated the key assumptions applied in cash flow projections for revenue growth, gross profit margins and net profit margins against historical performance for the respective CGUs;
- Performed sensitivity analysis of key assumptions and determined if the carrying amounts of CGUs materially exceeded the recoverable amounts;
- Evaluated the competence, capability and objectivity of management's valuation expert; and
- Assessed the appropriateness of the valuation methodology, data and key assumptions used by the management's valuation expert.

**Independent Auditors' Report
To the Members of Minho (M) Berhad (Cont'd)**

(Incorporated in Malaysia)
Registration No. 199001009358 (200930-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

(ii) Valuation of inventories (Group)

(Refer to Note 3.11 and Note 17 to the financial statements)

(Refer to Note 4(e) and Note 16 to the financial statements)

As at 31 December 2025, the carrying amount of inventories amounted to RM71,036,295, representing 14% of the Group's total assets.

Inventories are measured at the lower of cost and net realisable value ("NRV"). The valuation of finished goods and work-in-progress ("WIP") involves significant judgement in estimating production costs, including raw materials, direct labour and the allocation of overheads. Judgement is also required in assessing obsolete and slow-moving inventories and in determining the amount to write-down where the carrying amounts may not be recoverable.

We considered this to be an area of audit focus due to the significance of the inventories balance and the related estimation uncertainty. Our audit procedures included the following:

- Obtained understanding on inventory valuation policies and relevant controls surrounding the recording of inventory purchases;
- Tested reliability of inventories ageing report and reviewed management's application of the Group's policies for identification of obsolete and slow-moving inventories;
- Tested existence and condition of inventories through attendance at year end physical stock count;
- Recalculated the cost of finished goods and WIP based on cost of raw material, direct labour, other direct costs and overheads incurred in the production of inventory;
- Tested valuation of finished goods by comparing to NRV; and
- Reviewed the appropriateness of the disclosures based on MFRS 102 requirements.

Independent Auditors' Report To the Members of Minho (M) Berhad (Cont'd)

(Incorporated in Malaysia)
Registration No. 199001009358 (200930-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

(iii) Impairment of trade receivables (Group)

(Refer to Note 4(b), Note 17 and Note 33(b)(i) to the financial statements)

As at 31 December 2025, trade receivables and accumulated impairment losses on trade receivables amounted to RM26,457,046 and RM2,513,001 respectively.

The Group measures lifetime expected credit losses ("ECL") on trade receivables and identifies credit-impaired balances for full allowance. The assessment involves significant management judgement and estimation in determining the risk of default and expected loss rates. In determining the expected loss rates, the Group considers historical payment patterns, collection trends and historical credit loss experience.

We considered this to be an area of audit focus due to the significance of the trade receivables balance and the judgement involved in determining the ECL. Our audit procedures included the following:

- Obtained understanding on the Group's credit risk policies and exposure at reporting date;
- Obtained confirmation from trade receivables on outstanding balances as at reporting date;
- Obtained and tested reliability of trade receivables ageing for impairment assessment based on Group's policy;
- Reperformed calculation of ECL using historical payment record and loss experience with adjustment for forward-looking information;
- Traced to subsequent collections of credit impaired balances at reporting date; and
- Reviewed the appropriateness of the disclosures based on MFRS 9 requirements.

Independent Auditors' Report
To the Members of Minho (M) Berhad (Cont'd)

(Incorporated in Malaysia)
Registration No. 199001009358 (200930-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

(iv) Impairment assessment of investment in subsidiaries (Company)

(Refer to Note 4(g) and Note 28 to the financial statements)

The Company has a significant balance of investment in subsidiaries. Directors of the Company assess at each reporting date whether there is any indication that the investment in subsidiaries may be impaired. Where such indication exists, the Directors estimate the recoverable amount of the relevant investment.

The determination of recoverable amounts involves significant judgement, particularly in relation to the valuation methodology and key assumptions applied. Based on the impairment assessment performed, the recoverable amounts of the relevant investments exceeded their carrying amounts. Accordingly, no impairment loss was recognised.

We considered this to be an area of audit focus due to the significance of the investment in subsidiaries balance and the judgement involved in determining the recoverable amounts. Our audit procedures included the following:

- Discussed with management the approach and assumptions applied in determining the recoverable amounts;
- Evaluated the competence, capability and objectivity of management's valuation expert; and
- Assessed the appropriateness of the valuation methodology, data and key assumptions used by the management's valuation expert.

Independent Auditors' Report To the Members of Minho (M) Berhad (Cont'd)

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and Statement on Risk Management and Internal Control, which we obtained prior to the date of this auditors' report, and other sections of the annual report, which is expected to be made available to us after that date. Other information does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express 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.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matters to the Directors and take appropriate action in accordance with approved standards on auditing in Malaysia and ISAs.

Responsibilities of the Directors for the Financial Statements

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

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

Independent Auditors' Report To the Members of Minho (M) Berhad (Cont'd)

(Incorporated in Malaysia)
Registration No. 199001009358 (200930-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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 basis of these financial statements.

As part of an audit 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 the Group's and the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditors' Report To the Members of Minho (M) Berhad (Cont'd)

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (cont'd)

- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance 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, related safeguards.

From the matters communicated with those charged with governance, 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 30 to the financial statements.

**Independent Auditors' Report
To the Members of Minho (M) Berhad (Cont'd)**

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

OTHER MATTERS

This report is made solely to the members of the Group and 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 contents of this report.

ECOVIS MALAYSIA PLT

AF 001825

Chartered Accountants

Kuala Lumpur

28 April 2026

EILEEN LIM EE LING

03633/02/2028 J

Chartered Accountant

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

List of Properties

Location	Description	Approximate Area	Tenure	Age	Net Book Value (RM)	Year of Acquisition / Revaluation
Lot No. 6466 Mukim of Kapar District of Klang Selangor Darul Ehsan	Land	9.95 acres	Freehold	37	6,050,000	1989
Lot No. 6466 Mukim of Kapar District of Klang Selangor Darul Ehsan	Office building	392.70 sq. metres	Freehold	33	46,839	1993
Lot No. 6466 Mukim of Kapar District of Klang Selangor Darul Ehsan	Office building	145.10 sq. metres	Freehold	33	12,578	1993
Lot No. 6466 Mukim of Kapar District of Klang Selangor Darul Ehsan	Kiln drying factory with parking & storage shed, workshop & office cum store, building & worker quarters	2,067.91 sq. metres	Freehold	16	3,667,609	2010
Lot No. 6475 & 6476 Mukim of Kapar District of Klang Selangor Darul Ehsan	Land	9.89 acres	Freehold	16	12,900,000	2010
Lot No. 6475 & 6476 Mukim of Kapar District of Klang Selangor Darul Ehsan	Kiln drying factory with storage shed & office building	33,944.04 sq. metres	Freehold	16	8,658,342	2010
Lot No. 6469 Mukim of Kapar District of Klang Selangor Darul Ehsan	Land	9.89 acres	Freehold	16	12,000,000	2010
Lot No. 6469 Mukim of Kapar District of Klang Selangor Darul Ehsan	Kiln drying factory	41,517.38 sq. metres	Freehold	16	5,772,837	2010
Lot No. 921 Section 24 Municipality of Klang Selangor Darul Ehsan	Land	302.8 sq. metres	Freehold	16	700,000	2010

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

List of Properties (cont'd)

Location	Description	Approximate Area	Tenure	Age	Net Book Value (RM)	Year of Acquisition / Revaluation
Lot No. 921 Section 24 Municipality of Klang Selangor Darul Ehsan	Terrace shop cum office	Built up area of 302.8 sq. metres	Freehold	16	587,680	2010
Lot No. 6477 Mukim of Kapar District of Klang Selangor Darul Ehsan	Land	9.94 acres	Freehold	18	12,120,000	2008
Lot No. 6477 Mukim of Kapar District of Klang Selangor Darul Ehsan	Storage shed, office blocks and store	32,323.42 sq. metres	Freehold	18	510,224	2008
Lot No. 6477 Mukim of Kapar District of Klang Selangor Darul Ehsan	Office building	388.63 sq. metres	Freehold	18	123,100	2008
Lot No. 6474 Mukim of Kapar District of Klang Selangor Darul Ehsan	Land	10.43 acres	Freehold	17	12,730,000	2009
Lot No. 6474 Mukim of Kapar District of Klang Selangor Darul Ehsan	Kiln drying factory with storage shed	41,951.36 sq. metres	Freehold	18	5,292,800	2008
Lot No. 6471 Mukim of Kapar District of Klang Selangor Darul Ehsan	Land	10.18 acres	Freehold	18	12,410,000	2008
Lot No. 6470 Mukim of Kapar District of Klang Selangor Darul Ehsan	Land	10.18 acres	Freehold	18	12,410,000	2008
Lot No. 6471 Mukim of Kapar District of Klang Selangor Darul Ehsan	Kiln drying factory with storage shed, office block and workshop	67,790.04 sq. metres	Freehold	18	10,056,034	2008
Lot No. 6470 Mukim of Kapar District of Klang Selangor Darul Ehsan	Kiln drying factory with storage shed and office block	1,360.26 sq. metres	Freehold	18	98,532	2008

MINHO (M) BERHADRegistration No. 199001009358 (200930-H)
(Incorporated in Malaysia)**List of Properties (cont'd)**

Location	Description	Approximate Area	Tenure	Age	Net Book Value (RM)	Year Of Acquisition / Revaluation
Lot No. 4842 Mukim of Jeram District of Kuala Selangor Selangor Darul Ehsan	Vacant	18,208 acres	Freehold	15	4,634,780	2011
No. 51, Jalan Aman Perdana, 9G/KU Taman Aman Perdana District of Klang Selangor Darul Ehsan	Building	0.048 acres	Freehold	9	618,698	2017
PT 71937, No. 62A Lorong Sungai Puloh 10/KU6 Mukim of Kapar Klang Selangor	Terrace Industrial Building	253 sq. metres	Freehold	8	951,308	2018
GRN 93055 Lot 34195 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	186 sq. metres	Freehold	8	405,293	2018
GRN 93068 Lot 34212 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	186 sq. metres	Freehold	8	406,526	2018
GRN 93069 Lot 34213 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	186 sq. metres	Freehold	8	406,526	2018
GRN 93037 Lot 34177 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	186 sq. metres	Freehold	4	571,375	2022
GRN 93038 Lot 34178 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	186 sq. metres	Freehold	4	571,375	2022
GRN 93039 Lot 34179 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	186 sq. metres	Freehold	4	571,375	2022
GRN 93034 Lot 34174 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	186 sq. metres	Freehold	4	552,267	2022

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

List of Properties (cont'd)

Location	Description	Approximate Area	Tenure	Age	Net Book Value (RM)	Year Of Acquisition / Revaluation
GRN 92925 Lot 34156 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	186 sq. metres	Freehold	4	590,483	2022
GRN 93049 Lot 34189 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	248 sq. metres	Freehold	3	925,575	2023
GRN 93050 Lot 34190 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	186 sq. metres	Freehold	3	603,438	2023
GRN 50352, Lot 4843, Mukim Jeram, District of Kuala Selangor, State of Selangor.	Land	19.381 acres	Freehold	2	15,400,000	2024
GRN 92892 Lot 34149 Mukim Kapar, District of Klang, State of Selangor.	Terrace Industrial Building	186 sq. metres	Freehold	2	797,764	2024
GRN 93052 Lot 34192 Mukim Kapar, District of Klang, State of Selangor.	Terrace Industrial Building	186 sq. metres	Freehold	1	814,929	2025
Regensi Condominium Jalan Pelangi Kawasan 16 Municipality of Klang Selangor Darul Ehsan	15 units of Condominium EW16-7-B,EW17-2-E, SW13-1, SW13-2, SW13-3, SW13-5, SW13-7, SW13-8, SW13-9, SW13-10, SW17-6-A,SW19-2-C WW15-2-G, WW17-4-C, WW17-6-A	0.669 acres	Freehold	19	3,113,148	2007
Lot No. 6503 Mukim of Kapar District of Klang Selangor Darul Ehsan	Land	6.059 acres	Freehold	17	4,006,500	2009

MINHO (M) BERHADRegistration No. 199001009358 (200930-H)
(Incorporated in Malaysia)**List of Properties (cont'd)**

Location	Description	Approximate Area	Tenure	Age	Net Book Value (RM)	Year Of Acquisition / Revaluation
Lot No. 6503 Mukim of Kapar District of Klang Selangor Darul Ehsan	Industrial paper bags factory with parking & storage shed & office building	6.059 acres	Freehold	17	4,092,129	2009
PT 42079 Mukim of Tanjung Dua Belas District of Kuala Langat Selangor Darul Ehsan	Land	26.14 acres	Freehold	10	13,523,924	2016
PT 34194 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	186 sq. metres	Freehold	8	414,540	2018
Lot No. 6457 & 6458 Mukim of Kapar District of Klang Selangor Darul Ehsan	Storage shed	10.144 acres	Freehold	37	8,543,931	1988
Lot No. 6457 & 6458 Mukim of Kapar District of Klang Selangor Darul Ehsan	Worker's quarter	107.30 sq. metres	Freehold	32	57,391	1993
Lot 6462 Mukim of Kapar District of Klang Selangor Darul Ehsan	Industrial Land	5.113 acres	Freehold	22	20,417,644	2003
Lot No. 6467 Mukim of Kapar District of Klang Selangor Darul Ehsan	Office building with storage shed	9.90 acres	Freehold	20	1,200,213	2005
Lot No. 6467 Mukim of Kapar District of Klang Selangor Darul Ehsan	Office building	264.77 sq. metres	Freehold	19	160,268	2006
PT 71935 Lot TF8 No.60 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	0.005 acres	Freehold	12	883,397	2014
PT 71936 Lot TF9 No.62 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	0.005 acres	Freehold	12	915,497	2014

MINHO (M) BERHADRegistration No. 199001009358 (200930-H)
(Incorporated in Malaysia)**List of Properties (cont'd)**

Location	Description	Approximate Area	Tenure	Age	Net Book Value (RM)	Year Of Acquisition / Revaluation
Lot 48459 - No. 5 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace House	111 sq. metres	Freehold	12	55,000	2014
Lot 48497 - No. 58 Mukim Kapar District of Klang Selangor Darul Ehsan	Terrace House	251 sq. metres	Freehold	12	75,000	2014
PT 7920 Mukim of Jeram Kuala Selangor Selangor Darul Ehsan	Agriculture Land	4.302 acres	Freehold	4	4,830,228	2022
Lot 14465 Mukim of Jeram Kuala Selangor Selangor Darul Ehsan	Agriculture Land	5.006 acres	Freehold	3	9,601,275	2023
Lot No. PT 2863 Mukim of Chenor District of Maran Pahang Darul Makmur	Factory with storage shed, office and workshop	145.41 acres	Leasehold expiring on 10/10/2045	73	16,357,181	1953
Lot No. 879 Municipality of Klang Selangor Darul Ehsan	Vacant	3.4677 acres	Freehold	26	3,267,259	2000
Lot 15956 Mukim of Kapar District of Kapar Selangor Darul Ehsan	Agriculture Land	8.794 acres	Freehold	9	5,012,671	2017
7 th Floor Lot 711 & 712 Block B Mukim of Damansara District of Petaling Jaya Selangor Darul Ehsan	Office Building	3,326 sq. feet	Leasehold from 13/1/1995 to 13/4/2098	25	335,095	2001
GRN101889 Lot No.41960 No 15 Jalan Sungai Kapar Indah SB Taman Sungai Kapar Indah 42100 Klang Selangor	Double Storey Renovated Terraced House	1,302 sq. feet	Freehold	5	376,517	2021

MINHO (M) BERHADRegistration No. 199001009358 (200930-H)
(Incorporated in Malaysia)**List of Properties (cont'd)**

Location	Description	Approximate Area	Tenure	Age	Net Book Value (RM)	Year Of Acquisition / Revaluation
GRN101850 Lot No.41921 No 36 Jalan Sungai Kapar Indah SB Taman Sungai Kapar Indah 42100 Klang Selangor	Double Storey Terraced House	1,302 sq. feet	Freehold	5	344,375	2021
Lot 758 & 759 Seksyen 41 Jalan Yap Ah Shak Bandaraya Kuala Lumpur	Building	297 sq. meters	Freehold	13	8,052,943	2013
Lot 1698, Bukit Kuda Mukim Kapar District of Klang Selangor Darul Ehsan	Land	1.406 acres	Freehold	13	2,500,000	2013

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

Analysis of Shareholdings as at 1 April 2026

Share Capital

Total Number of Issued Share	:	356,724,346 (including 229 treasury shares)
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
1 - 99	607	12.32	27,737	0.01
100 – 1,000	328	6.65	124,523	0.03
1,001 – 10,000	2,501	50.75	12,613,379	3.54
10,001 – 100,000	1,253	25.43	38,640,518	10.83
100,001 – 17,836,205*	238	4.83	204,242,987	57.26
17,836,206 and above**	1	0.02	101,074,973	28.33
TOTAL	4,928	100.00	356,724,117#	100.00

* Less than 5% of issued holdings

** 5% and above of issued holdings

Excluding 229 treasury shares

Directors' Shareholdings

The Directors' shareholdings based on the Register of Directors' Shareholdings of the Company are as follows:-

Name of Directors	No. of shares beneficially held			
	Direct	%	Indirect	%
Dato' Loo Keng An @ Lee Kim An	-	-	104,069,148 ⁽¹⁾	29.17
Loo Say Leng	-	-	-	-
Tuan Haji Mohd Faizal Bin Abdul Majid	3,131	0.01	-	-
Lim Kim Meng	260,947	0.07	-	-
Jeannie Lim Li Tein	-	-	-	-

(1) Deemed interested by virtue of the shares held by Minho Holdings Sdn. Bhd. through his interest in Loo Keng An Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and by virtue of the shares held by his children.

Substantial Shareholders

The substantial shareholders based on the Register of Substantial Shareholders of the Company and their shareholdings are as follows:-

Name of Shareholders	No. of shares beneficially held			
	Direct	%	Indirect	%
Minho Holdings Sdn. Bhd.	101,074,973	28.33	-	-
Dato' Loo Keng An @ Lee Kim An	-	-	104,069,148 ⁽¹⁾	29.17

(1) Deemed interested by virtue of the shares held by Minho Holdings Sdn. Bhd. through his interest in Loo Keng An Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and by virtue of the shares held by his children.

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

Analysis of Shareholdings (cont'd) as at 1 April 2026

List of Thirty (30) Largest Securities Account Holders as at 1 April 2026

Name of Shareholders	No. of Shares Held	%
1. Minho Holdings Sdn. Bhd.	101,074,973	28.33
2. Cera Bestari Sdn. Bhd.	13,444,514	3.77
3. Emas Adil Sdn. Bhd.	12,041,826	3.38
4. MDB Manufacturing Sdn. Bhd.	11,253,204	3.15
5. CIMB Group Nominees (Asing) Sdn. Bhd. Exempt an for DBS Bank Ltd (SFS-PB)	8,884,631	2.49
6. LTK (Melaka) Sdn. Bhd.	7,338,528	2.06
7. Mak Ooi Yee	6,376,281	1.79
8. Lau Sow Ngan	5,381,030	1.51
9. Perakayan Sri Jengka Sdn. Bhd.	5,175,500	1.45
10. Loo Say Cheng	5,051,000	1.42
11. RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Hin Seong	5,010,000	1.40
12. Shio Lay Kian	4,235,449	1.19
13. Loo Say Cheng	3,614,113	1.01
14. Liaw Kong Wah	3,408,853	0.96
15. Ong Yik Gee	3,403,000	0.95
16. Seah Gak San	3,390,372	0.95
17. Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Heritage Resources Sdn. Bhd. (E-KTN)	2,912,200	0.82
18. Lim Kiat Si	2,775,100	0.78
19. Siew Kiat Seng	2,665,852	0.75
20. Loo Chen Nee	2,639,746	0.74
21. Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Loo Keng Kiat	2,568,500	0.72
22. Ladang Ternakan Kelang Sdn. Bhd.	2,420,158	0.68
23. Tee Ah Swee	2,308,700	0.65
24. Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Ah Tin	2,170,945	0.61
25. AMSEC Nominees (Asing) Sdn. Bhd. Pledged Securities Account for Lim Han Leng	2,103,405	0.59
26. IFAST Nominees (Tempatan) Sdn Bhd Ng Sher Win	2,013,300	0.56
27. Tan Chui Hua	1,985,188	0.56
28. Chin Sen Kiang @ Tan See Kiang	1,660,700	0.47
29. Tan Teck Peng	1,550,000	0.44
30. Euginny Yap Chiew Yei	1,524,727	0.43

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

Notice of Thirty-Fifth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirty-Fifth Annual General Meeting (“**35th AGM**”) of MINHO (M) BERHAD (“**the Company**”) will be held at the Board Room of the Company at Lot 6476, Lorong Sg. Puluh, Batu 6, Off Jalan Kapar, 42100 Klang, Selangor Darul Ehsan on Tuesday, 26 May 2026 at 10:30 a.m. or at any adjournment thereof, for the transaction of the following business:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon. *(Please refer to Explanatory Note 1)*
2. To approve the payment of Directors’ fees and benefits of up to RM300,000.00 payable to the Directors of the Company from the conclusion of the 35th AGM up till the conclusion of the next Annual General Meeting of the Company to be held in 2027. *(Resolution 1)*
3. To re-elect the following Directors who retire pursuant to Clause 96 of the Company’s Constitution:-
 - (a) Mr Lim Kim Meng *(Resolution 2)*
 - (b) Ms. Jeannie Lim Li Tein *(Resolution 3)*
4. To re-appoint Messrs. Ecovis Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. *(Resolution 4)*

As Special Business

To consider and if thought fit, to pass the following ordinary resolutions, with or without modifications:-

5. **ORDINARY RESOLUTION 1**
AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

“**THAT** subject to the Companies Act 2016 (“**the Act**”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant governmental and/or regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered pursuant to the Act, to allot and issue shares in the capital of the Company to such persons at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being; **AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; and that such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

(Resolution 5)

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

6. **ORDINARY RESOLUTION 2**
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING
NATURE ("PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE")

"**THAT** subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company's subsidiaries ("**Minho Group**") to enter into recurrent related party transactions of a revenue or trading nature ("**Recurrent Related Party Transactions**") with the related parties as specified in Section 2.4 of the Circular to Shareholders dated 30 April 2026 subject further to the following:-

- (i) the Recurrent Related Party Transactions are in the ordinary course of business which are necessary for day-to-day operations and are on normal commercial terms not more favourable than those generally available to the public and are not detrimental to the minority shareholders of the Company;
- (ii) the disclosure is made in the annual report breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year and that such approval shall, commence immediately upon the passing of this ordinary resolution and continue to be in force until:
 - (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following the forthcoming AGM at which time it will lapse unless by a resolution passed at a general meeting, the authority is renewed; or
 - (b) the expiration of the period within which the next AGM is required by law to be held pursuant to Section 340(2) of the Companies Act 2016 ("**the Act**") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - (c) it is revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier;

AND THAT the Board of Directors of the Company and/or any one of them be and are hereby authorised to complete and to do all such acts and things including executing such documents as may be required to give effect to the transactions contemplated and/or authorised by this ordinary resolution."

(Resolution 6)

7. To transact any other ordinary business for which due notice shall have been given.

By Order of the Board

MAK CHOOI PENG (MAICSA 7017931) (SSM PC No. 201908000889)
Company Secretary

Klang

Dated: 30 April 2026

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

Notes:

- (a) *In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 May 2026 (“**General Meeting Record of Depositors**”) shall be entitled to attend, speak and vote at this Meeting.*
- (b) *A member entitled to attend and vote at this Meeting is entitled to appoint more than one (1) proxy to attend and vote instead of him, and that a proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at this Meeting shall have the same rights as the member to speak at the Meeting.*
- (c) *Where a member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
- (d) *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
- (e) *Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- (f) *The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or if the member is a corporation, shall be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney of the corporation duly authorised.*
- (g) *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the registered office of the Company at Unit 2005, 20th Floor, Tower 2, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding this Meeting or any adjournment thereof.*
- (h) *Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of 35th AGM will be put to vote by poll.*

Explanatory Notes on Ordinary and Special Businesses:

1. Item 1 of the Agenda

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Resolution 1

Section 230(1) of the Companies Act 2016 (“**the Act**”) provides that the fees of the directors and any benefits payable to the directors including any compensation for loss of employment of a director or former director of a public company or a listed company and its subsidiaries, shall be approved at a general meeting.

The Company is seeking shareholders’ approval for the payment of Directors’ fees and benefits of up to RM300,000.00 payable to the Directors of the Company with effect from the conclusion of the 35th AGM until the conclusion of the next AGM of the Company in 2027 pursuant to Section 230(1) of the Act.

The estimated Directors’ fees and benefits proposed for the period from 27 May 2026 until the next AGM of the Company in 2027 are derived based on the current Board size and number of scheduled Board and Board Committees meetings to be held. This Resolution 1 is to facilitate payment of Directors’ fees and benefits for the financial year 2026/2027.

In the event that the proposed Directors’ fees and benefits are insufficient, approval will be sought at the next AGM for additional Directors’ fees and benefits to meet the shortfall.

3. Resolutions 2 and 3

Mr. Lim Kim Meng and Ms. Jeannie Lim Li Tein (“**the Retiring Directors**”) are standing for re-election as Directors of the Company.

For the purpose of determining the eligibility of the Retiring Directors to stand for re-election at the 35th AGM, the Board, through its Nomination and Remuneration Committee (“**NRC**”) had assessed the Retiring Directors, and considered the following:

- (i) performance and contribution based on the self-assessment (“**SA**”) results;
- (ii) level of contribution to the Board and deliberations through their skills, experience and strength in qualities; and
- (iii) level of objectivity, impartiality and their ability to act in the best interest of the Company.

The Retiring Directors met the performance criteria required of an effective and a high-performance Board based on the Directors’ SA results.

The NRC and Board of Directors of the Company (“**the Board**”) have considered the results of the assessment conducted on the Retiring Directors and collectively satisfied that they meet the criteria of character, experience, integrity, competence and time required to effectively discharge their role as Directors, as prescribed by Paragraph 2.20A of the MMLR. The Board accepted the NRC’s recommendation that the Retiring Directors, who retire in accordance with Clause 96 of the Constitution namely, Mr. Lim Kim Meng and Ms. Jeannie Lim Li Tein are eligible to stand for re-election. The Retiring Directors had abstained from deliberations and decisions on their own eligibility and suitability to stand for re-election at the relevant Board meetings. The Retiring Directors referred to in Resolutions 2 and 3 will abstain from voting on the resolution in respect of their respective re-election at the 35th AGM.

4. Resolution 4

The Audit and Risk Management Committee (“**ARMC**”) had undertaken an annual assessment of the suitability and effectiveness of the external audit process, performance, suitability and independence of the external auditors, Ecovis Malaysia PLT (“**Ecovis**”) as prescribed under the Paragraph 15.21 of the MMLR. The ARMC was satisfied with the suitability of Ecovis based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group. The ARMC was also satisfied in its review that the provisions of non-audit services by Ecovis during the period under review did not impair Ecovis’s objectivity and independence. The Board had accepted the ARMC’s recommendation for shareholders’ approval to be sought at the 35th AGM on the re-appointment of Ecovis as external auditors of the Company for the financial year ending 31 December 2026, under Resolution 4. The present external auditors, Ecovis, have indicated their willingness to continue their services for the next financial year.

5. Ordinary Resolution 1

The proposed Ordinary Resolution 1 is for the purpose of seeking renewal for the general mandate to empower the Directors of the Company pursuant to Sections 75 and 76 of the Companies Act 2016, from the date of the 35th AGM of the Company, to allot and issue shares in the Company at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being. The general mandate, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

The general mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares for the purpose of funding future investment(s), project(s), working capital and/or acquisition(s).

As of the date of this Notice, no new shares in the Company were issued pursuant to the general mandate granted to the Directors at the Thirty-Fourth Annual General Meeting of the Company held on 26 June 2025, which will lapse at the conclusion of the 35th AGM of the Company. Hence, no proceeds were raised therefrom.

MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)
(Incorporated in Malaysia)

6. Ordinary Resolution 2

This proposed Ordinary Resolution 2 is to renew the shareholders' mandate for recurrent related party transactions of a revenue or trading in nature granted by shareholders of the Company at the Thirty-Fourth Annual General Meeting of the Company held on 26 June 2025 ("**Renewal of Shareholders' Mandate**"). The Renewal of Shareholders' Mandate will enable the Group to enter into such transactions in the ordinary course of business which are necessary for the Group's day-to-day operations, based on commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

Please refer to the Circular to Shareholders dated 30 April 2026 circulated together with this Annual Report for further information.

MINHO (M) BERHAD

Registration No.: 199001009358 (200930-H)
(Incorporated in Malaysia)

CDS ACCOUNT NO.

Proxy Form

(Please refer to the notes below before completing this form)

NUMBER OF SHARES HELD

*I/We, _____ NRIC/Passport/Company No. _____
(FULL NAME IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

with contact no. _____ and email address _____, being a *member/members of MINHO (M) BERHAD ("the Company") hereby appoint:

Full Name (In Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or failing *him/her,

Full Name (In Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/her, THE CHAIRMAN OF THE MEETING as *my/our *proxy/proxies to vote for *me/us and on *my/our behalf at the Thirty-Fifth Annual General Meeting ("**35th AGM**") of the Company will be held at Board Room of the Company, Lot 6476, Lorong Sg. Pulu, Batu 6, Off Jalan Kapar, 42100 Klang, Selangor Darul Ehsan on Tuesday, 26 May 2026 at 10:30 a.m. or at any adjournment thereof.

My/our proxy/proxies is/are to vote as indicated below:

ORDINARY RESOLUTION	Resolution	FOR	AGAINST
Approval for payment of Directors' fees and benefits	1		
Re-election of Lim Kim Meng as Director	2		
Re-election of Jeannie Lim Li Tein as Director	3		
Re-appointment of Messrs. Ecovis Malaysia PLT as Auditors of the Company	4		
Ordinary Resolution 1 Authority to issue and allot shares pursuant to the Companies Act 2016	5		
Ordinary Resolution 2 Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature	6		

(Please indicate with an "X" in the appropriate spaces how you wish your proxy to vote. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/she thinks fit or, at his/her discretion.)

Dated this.....day of, 2026

* Strike out whichever is not desired.

.....
Signature of Shareholder or Common Seal

Notes:

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 May 2026 ("**General Meeting Record of Depositors**") shall be entitled to attend, speak and vote at this Meeting.
- A member entitled to attend and vote at this Meeting is entitled to appoint more than one (1) proxy to attend and vote instead of him, and that a proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at this Meeting shall have the same rights as the member to speak at the Meeting.
- Where a member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or if the member is a corporation, shall be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney of the corporation duly authorised.
- The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the registered office of the Company at Unit 2005, 20th Floor, Tower 2, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding this Meeting or any adjournment thereof.
- Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**MMLR**"), all the resolutions set out in this Notice of 35th AGM will be put to vote by poll.

affix
stamp
here

THE COMPANY SECRETARY
MINHO (M) BERHAD Registration No.: 199001009358 (200930-H)
Unit 2005, 20th Floor,
Tower 2, Faber Towers,
Jalan Desa Bahagia, Taman Desa,
58100 Kuala Lumpur,
Malaysia.
