SHH RESOURCES HOLDINGS BERHAD

Registration No: 199401018548 (304227-U)
(Incorporated In Malaysia)

ANNUAL REPORT 2026

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MISSION STATEMENT

"To constantly strive for excellence in production efficiency, product quality and competitive pricing to ensure sustainability whilst safeguarding the interests of all stakeholders."



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Second (32nd) Annual General Meeting ("AGM") of the Company will be held at Ground Floor, Lobby 1, Crystal Plaza, No.4, Jalan 51A/223, 46100 Petaling Jaya, Selangor Darul Ehsan on 2nd December 2026 at 10.30 a.m. or any adjournment thereof for the transaction of the following businesses:

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30th June 2026 together with the Reports of the Directors and the Auditors thereon.

2. To approve the payment of Directors' fees and allowances up to RM300,000 for the financial period commencing from the date of the current annual general meeting to the conclusion of the next annual general meeting, payable monthly in arrears after each month of completed service of the Directors.

   (Resolution 1)

3. To re-elect the following Directors who retire in accordance with Clause 90 of the Company's Constitution:-

   (a) LEW KHIM KHIM (Resolution 2)
   (b) MARISSA LEE SHER MAY (Resolution 3)

4. To re-elect the following Directors who retire in accordance with Clause 98 of the Company's Constitution:-

   (a) AMINUDDIN BIN MOHD ARIF (Resolution 4)
   (b) CHONG SENG YAU (Resolution 5)
   (c) DR. NAZRY BIN YAHYA (Resolution 6)

5. To re-appoint Messrs PKF PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

   (Resolution 7)

As Special Business

To consider, and if thought fit, to pass the following resolutions with or without modification as ordinary resolutions:

6. Authority to Issue Shares

   THAT subject to the Companies Act, 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and subject to the approvals of the relevant governmental/ regulatory authorities, the Directors be hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company, at any time to such persons 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 at any point in time ("10% General Mandate");

   AND THAT the Directors be hereby also empowered to obtain approval from Bursa Securities for the listing and quotation of the additional shares so issued pursuant to the 10% General Mandate on Bursa Securities; FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

   (Resolution 8)

7. **Proposed Renewal of Share Buy-Back Mandate**

"THAT subject always to the Companies Act, 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, regulations and guidelines, the Directors of the Company be hereby given full authority, to allocate an amount not exceeding the total available retained profits of the Company based on its latest audited financial statements available up to the date of the transaction for the purpose of and to purchase such amount of ordinary shares in the Company ("Shares") as may be determined by the Directors from time to time through Bursa Securities as the Directors may deem fit and in the best interest of the Company provided that the aggregate number of Shares to be purchased and/ or held as treasury shares pursuant to this resolution does not exceed ten percentum (10%) of the total number of issued shares of the Company (excluding treasury shares) at any point in time;

THAT upon the purchase by the Company of its own Shares, the Directors of the Company be hereby authorised to retain such Shares so purchased as treasury shares and cancel the remainder;

AND THAT the Directors of the Company be hereby authorised to distribute the treasury shares as dividends to the shareholders of the Company and/or resell the treasury shares on Bursa Securities in accordance with the relevant rules of Bursa Securities or subsequently cancel the treasury shares or any combination thereof;

AND THAT such approval and authorisation shall be effective immediately upon the passing of this resolution and continue to be in force until:-

a. the conclusion of the next Annual General Meeting of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
b. the expiration of the period within which the next Annual General Meeting is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
c. revoked or varied by resolution passed by the shareholders in a general meeting; whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities; and

FURTHER THAT the Directors of the Company be hereby authorised to do all such acts and things (including, without limitation executing all such documents as may be required) as they may consider expedient or necessary to give effect to this mandate."

(Resolution 9)

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

BY ORDER OF THE BOARD
Sow Xin Yee (LS0010691)
SSM Practicing Certificate No.:202308000541

Tiew Sze Hann (MAICSA 7058007)
SSM Practicing Certificate No.:201908000034
Company Secretaries
Kuala Lumpur
30th October 2026

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

Notes to the Notice of AGM

1. Proxy

1.1. A proxy may but need not be a member of the Company pursuant to Section 334 of the Act.

1.2. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.

1.3. The Form of Proxy shall be executed under the hand of the appointer or his/her attorney duly authorised in writing or if such an appointer is a corporation, under its common seal or under the hand of its attorney. The Form of Proxy must be duly completed and deposited at the Registered Office of the Company at Lot 306, 3rd Floor, Tower 2, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur, Wilayah Persekutuan or submitted via email to agm2026@shh.com.my [or lodged electronically via "Boardroom Smart Investor Portal" at https://investor.boardroomlimited.com] not less than twenty-four (24) hours before the time set for holding of the 32nd AGM or any adjournment thereof as Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") requires all resolutions set out in the Notice of the 32nd AGM to vote by poll.

1.4 In the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the 32nd AGM as his/their proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy, have been duly completed by the member(s).

1.5. Only members registered in the Record of Depositors as at 25th November 2026 shall be eligible to attend the 32nd AGM or appoint a proxy to attend and vote on his/her behalf.

1.6. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

2. Audited Financial Statement for the year ended 30 June 2026

2.1. The tabling of the Audited Financial Statement is meant for discussion only as provision of Section 340(1)(a) of the Companies Act 2016 ("the Act") does not require a formal approval of the shareholders and hence, is not put forward for voting.

2.2. The Annual Report 2026 can be accessed from the website of Bursa Securities at www.bursamalaysia.com. It can also be downloaded from the Company's website at www.shh.com.my. Shareholders who wish to receive the printed Annual Report 2026, please contact Boardroom Share Registrars Sdn Bhd at Tel no. 03-7890 4700 or email to bsr.proxy@boardroomlimited. com.

3. Approval of Directors' fees and allowances for the financial year ending 30 June 2027

3.1. The proposed Ordinary Resolution 1 is to facilitate payment of Directors' fees and allowances from 3rd December 2026 until the date of next Annual General Meeting ("the said period").

3.2. The Directors' fees and allowances proposed for the said period are calculated based on the number of scheduled Board and Committee Meetings and assuming that all Directors will hold office until the conclusion of the next Annual General Meeting.

3.3. In the event the Directors' fees proposed are insufficient (e.g., due to more meetings), approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall.

4. Re-election of Retiring Directors

4.1. Based on this annual assessment conducted, the Nominating Committee ("NC") was of the view that the existing Board and each of its members have the requisite competence and capability to contribute to the needs of the Company and they had sufficiently demonstrated their commitment to the Group in terms of time and participation at meetings during the year under review. Each of these retiring Directors has confirmed to the Board that they do not have any conflict of interest with any of the companies in the Group which may affect his/her ability to act in the best interest of the Company.

4.2. Accordingly, the NC recommended to the Board the re-election of the retiring Directors, namely, Lew Khim Khim, Marissa Lee Sher May, Aminuddin Bin Mohd Arif, Chong Seng Yau and Ts Dr Nazry Bin Yahya at the 32nd AGM. Based on the recommendation of the NC, the Board supports the re-election of the retiring Directors at the 32nd AGM.

4.3. The profile of the Directors standing for re-election is set out in the Information on Directors in the Annual Report 2026.

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

5. Authority to Issue Shares

5.1. The Ordinary Resolution proposed under Item 6 (Resolution 8) is to seek the renewal a general mandate to empower the Directors of the Company pursuant to Sections 75 and 76 of the Act, to issue and allot ordinary shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the total number of issued shares of the Company at any point of time ("10% General Mandate"). This 10% General Mandate, unless revoked or varied at a general meeting, will expire at the next AGM.

5.2. As at the date of this Notice, the Company did not issue any new shares pursuant to the mandate obtained at the previous AGM.

5.3. With this 10% General Mandate, the Company will be able to raise funds for the purpose of funding future investments, working capital and/or acquisitions. The Board, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the 10% General Mandate is in the best interest of the Company and its shareholders.

6. Share Buy-back Mandate

The Ordinary Resolution proposed under Item 7 (Resolution 9), if passed, will empower the Directors of the Company to purchase Shares in the Company up to an amount not exceeding ten percentum (10%) of the total issued shares of the Company (excluding treasury shares) as they consider would be in the interest of the Company. Further details of the Proposed Share Buy-Back are provided in the Statement to Shareholders dated 30th October 2026.



STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Details of individuals standing for election as directors

No individual is seeking election as a Director at the forthcoming Annual General Meeting of the Company.

Name of Directors Standing for Re-appointment/Re-election

The Directors standing for re-appointment/re-election at the forthcoming Annual General Meeting are as follows:-

Pursuant to Clause 90 of the Company's Constitution:-
1. Lew Khim Khim
2. Marissa Lee Sher May

Pursuant to Clause 98 of the Company's Constitution:-
1. Aminuddin bin Mohd Arif
2. Chong Seng Yau
3. Ts Dr Nazry bin Yahya

Details of Attendance of Directors at Board Meetings

Eight (8) board meetings were held during the financial year ended 30th June 2026. Details of the attendance of Directors at the Board Meetings are as follows:-

Name	Attendance
Lew Khim Khim	8/8
Grace Khoo Ting Ting	8/8
Tan Chin Kiat	8/8
Marissa Lee Sher May	7/8
Aminuddin bin Mohd Arif (appointed on 15 June 2026)	1/1
Chong Seng Yau (Appointed on 18 June 2026)	1/1
Dato' Haji Obet bin Tawil (Resigned on 30 June 2026)	7/8
Wong Wen Miin (Resigned on 15 June 2026)	7/7
Stephen Low Chee Weng (Resigned on 18 June 2026)	7/7

Date, Time and Place of the Annual General Meeting
Date : 2nd December 2026
Time : 10.30 a.m.
Place : Ground Floor, Lobby 1
Crystal Plaza
No.4, Jalan 51A/223
46100 Petaling Jaya
Selangor Darul Ehsan

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING (cont'd)

Details of Directors Standing for Re-appointment/Re-election

The details of Directors standing for re-appointment/re-election at the abovementioned Annual General Meeting are as follows:-

Name :	**Lew Khim Khim**
Profile of Director	As set out in the Profile of Directors on pages 10 to 13 of the Annual Report
Securities holding in the Company and its subsidiaries	Direct – Nil Indirect – 23,500,400 ordinary shares

Name :	**Marissa Lee Sher May**
Profile of Director	As set out in the Profile of Directors on pages 10 to 13 of the Annual Report
Securities holding in the Company and its subsidiaries	Direct – Nil Indirect – Nil

Name :	**Aminuddin bin Mohd Arif**
Profile of Director	As set out in the Profile of Directors on pages 10 to 13 of the Annual Report
Securities holding in the Company and its subsidiaries	Direct – Nil Indirect – Nil

Name :	**Chong Seng Yau**
Profile of Director	As set out in the Profile of Directors on pages 10 to 13 of the Annual Report
Securities holding in the Company and its subsidiaries	Direct – Nil Indirect – Nil

Name :	**Ts Dr Nazry bin Yahya**
Profile of Director	As set out in the Profile of Directors on pages 10 to 13 of the Annual Report
Securities holding in the Company and its subsidiaries	Direct – Nil Indirect – Nil

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ts Dr Nazry bin Yahya	(Executive Chairman)
Lew Khim Khim (Ken Lew)	(Executive Director)
Grace Khoo Ting Ting	(Executive Director)
Tan Chin Kiat*	
Marissa Lee Sher May*	
Aminuddin bin Mohd Arif*	
Chong Seng Yau*	

Audit Committee

Chong Seng Yau*	(Chairman)
Marissa Lee Sher May*	
Tan Chin Kiat*	
Aminuddin bin Mohd Arif*	

Nominating Committee

Marissa Lee Sher May*	(Chairman)
Tan Chin Kiat*	
Aminuddin bin Mohd Arif*	

Remuneration Committee

Tan Chin Kiat*	(Chairman)
Chong Seng Yau*	
Aminuddin bin Mohd Arif*	
Marissa Lee Sher May*	

Risk Management Committee

Aminuddin bin Mohd Arif*	(Chairman)
Marissa Lee Sher May*	
Chong Seng Yau*	
Tan Chin Kiat*	

Senior Independent Director

Marissa Lee Sher May*

* Independent Non-Executive Director

Company Secretaries

Sow Xin Yee (LS0010691)
SSM Practicing Certificate No.:202308000541

Tiew Sze Hann (MAICSA 7058007)
SSM Practicing Certificate No.:201908000034

Registered Office

Lot 306, 3rd Floor, Tower 2,
Faber Towers, Jalan Desa Bahagia,
Taman Desa
58100 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Tel No. : 03 - 79859999
Email : customerservice@chengco.com.my

Principal Place of Business

PLO 1, Kawasan Perindustrian Pagoh
84600 Pagoh, Muar
Johor Darul Takzim

Registrar

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Tel No. : 03 - 78904700
Fax No. : 03 - 78904670

Auditors

PKF PLT
202206000012 (LLP0030836-L4 & AF0911)
Chartered Accountants

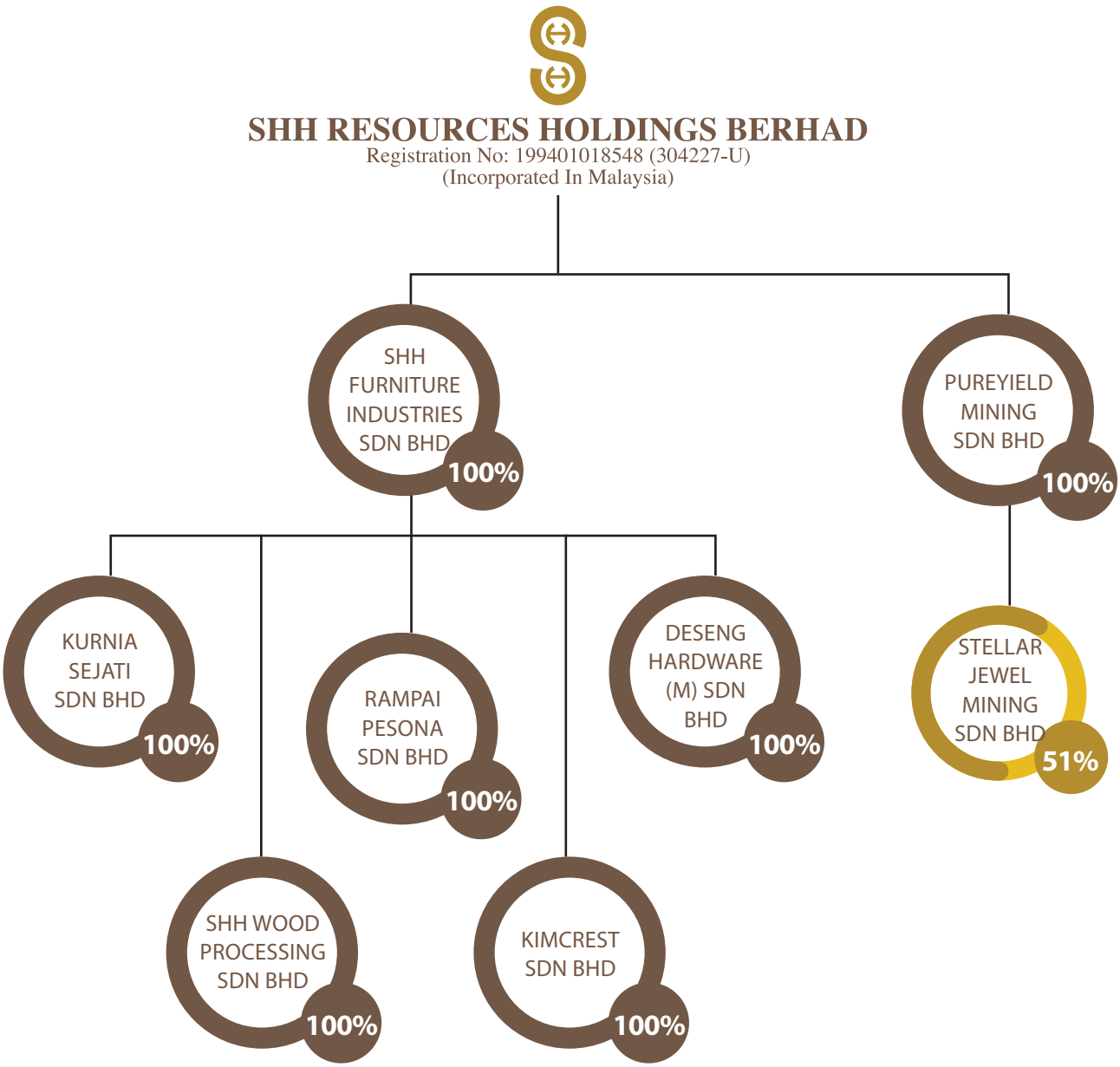
Principal Bankers

CIMB Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
United Overseas Bank (Malaysia) Berhad

Stock Exchange Listing

Main Market of the Bursa Malaysia
Securities Berhad

CORPORATE STRUCTURE



PROFILE OF DIRECTORS

TS DR NAZRY BIN YAHYA

Executive Chairman (Executive Director)

Ts Dr Nazry bin Yahya, Malaysian, male, aged 56, was appointed to the Board as the Executive Chairman of the Company on 7 July 2026. Dr Nazry joined the SHH Group as its Group Chief Executive Officer on 1 August 2024. Dr. Nazry holds a Degree in Science (Finance) from the Eller College, University of Arizona, USA and a Masters in Business Administration from the Charles Stuat University, Australia and a doctorate in Commerce from the Flinders University, Australia.

Dr. Nazry started his career with Sime Bank Berhad and he subsequently joined Johor Corporation Group in 1995 and has held various positions within the Johor Corporation Group, namely as Fund Manager of Pelaburan Johor Berhad, Vice President Operations and Asset Management of JPB Pacific Securities (Hong Kong) Limited and Senior Manager Corporate Services of PJB Pacific Securities Sdn Bhd. In 2001, he joined FedEx (M) Sdn Bhd as Station and Operation Manager. He left FedEx (M) Sdn Bhd in 2003 and joined Kintetsu World Express Sdn Bhd as its Operations Manager until 2004. He subsequently joined MMC Group of Companies in 2005. Between 2005 to 2024, he held various positions within the MMC group of companies, namely Head of Department of JP Logistics Sdn Bhd, Country Manager of VPDD JP Logistics (Vietnam) Limited, General Manager Corporate Services of JP Logistics Sdn Bhd and Principal of JP Skills Centre, Johor Port Berhad. He is a Professional Technologist registered with Malaysian Board of Technologist (MBOT) and a Chartered Member of The Chartered Institute of Logistics and Transport (CILT).

He is not a director of any other public company. He has no family relationship with any Director and/or substantial shareholder of the Company.

LEW KHIM KHIM (KEN LEW)

Director (Non-Independent Executive Director)

Mr Lew Khim Khim ("Ken Lew"), aged 47, was appointed to the Board of the Company on 20 September 2022. He is presently an Executive Director of the Company. Ken Lew is the co-founder of the Shui Xing Group of Companies, which are mainly involved in the supply chain and logistics industries. He is currently the Group CEO and Managing Director of Shui Xing Group and has over 20 years of experience in the supply chain and logistics industries. His foresight and ability to identify the potential development of inter-related industries have enabled the Shui Xing Group to venture into design and build (construction), hospitality, property investment, e-Commerce and e-Fulfilment businesses.

He is not a director of any other public company. He is a substantial shareholder of SX Capital Sdn Bhd, which is the major shareholder of the Company. He has no family relationship with any Director and/or substantial shareholder of the Company.

PROFILE OF DIRECTORS
(cont'd)

GRACE KHOO TING TING

Director (Non-Independent Executive Director)

Ms Grace Khoo Ting Ting ("Grace Khoo"), Singaporean, female, aged 44, was appointed to the Board of the Company on 6th October 2022 as an Executive Director of the Company. Grace Khoo is currently the Group Chief Financial Officer of the Shui Xing Group of Companies and she has over 20 years of experience in the supply chain and logistic industries. Grace Khoo has experience in navigating high growth companies, developing new business strategies and operational management. She is well-versed in all aspects of financial management of companies, from financial planning and determining investment strategies, taking into consideration capital structures and cash/liquidity risks management. She ensures cash flow is appropriate for operations requirements, supervising all finance personnel, and managing relationships with customers and vendors.

She is not a director of any other public company. She has no family relationship with any Director and/or substantial shareholder of the Company.

TAN CHIN KIAT

Director (Independent Non-Executive Director)

Mr Tan Chin Kiat, Malaysian, male, aged 65, was appointed to the Board on 13 March 2023. He is the Chairman of the Remuneration Committee and a member of the Audit, Nominating and Risk Management Committees. He holds multiple academic qualifications, including a higher diploma in Accounting from the London Chamber of Commerce and Industry, a Bachelor of Economics (Business Administration) from Universiti Malaya, a Master of Business Administration from Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia), and postgraduate diplomas in Islamic Banking from Universiti Islam Malaysia and Counselling Psychology from Allied Business School. He also attended an Advanced Banking programme at the Asian Institute of Management, Manila.

Mr. Tan Chin Kiat started his career as a Credit Loan Officer with Arab Malaysian Finance Berhad in 1985. Subsequently, he was promoted to be Branch Manager in Tawau, Sabah in 1989. He was later promoted in 1992 to Regional Manager for Perak region and subsequently in 1994 he served as Regional Manager covering Sabah and Sarawak before he left Arab Malaysian Finance Berhad in 1996. In 2003 to 2009, he joined Malaysian Building Society Berhad as a General Manager. Subsequently, he moved on to join Port Klang Free Zone Sdn Bhd in 2009 as an Assistant General Manager until year 2020.

He is not a director of any other public company. He has no family relationship with any Director and/or substantial shareholder of the Company.

PROFILE OF DIRECTORS
(cont'd)

MARISSA LEE SHER MAY

Director
(Independent Non-Executive Director)

Ms Marissa Lee Sher May ("Marissa Lee"), Malaysian, female, aged 31 was appointed to the Board on 6th July 2023. She is the Chairman of the Nominating Committee. She is also a member of the Audit, Remuneration and Risk Management Committees.

She is a graduate of the Association of Chartered Certified Accountants (ACCA). She started her career with Ernst & Young Tax Consultants Sdn Bhd as a business tax advisory associate from March 2018 until June 2019. From July 2019 to February 2021, she joined Unionspace Sdn Bhd as a Community Manager, where she was responsible for growing a positive and vibrant community in the workspace, membership management, building and operations management, relationship management and reporting. She later joined 318 Venture Sdn Bhd as Manager, Investments in February 2021 and is currently its Director, Investments, where she is responsible for safeguarding the investment portfolio through close monitoring, effective governance and business partnering with investee companies.

She is not a director of any other public company. She has no family relationship with any Director and/or substantial shareholder of the Company.

AMINUDDIN BIN MOHD ARIF

Director
(Independent Non-Executive Director)

Encik Aminuddin bin Mohd Arif, Malaysian, male, aged 51, was appointed to the Board on 15 June 2026. He is the Chairman of the Risk Management Committee. He is also a member of the Audit, Nominating and Remuneration Committees.

Upon his graduation in 1997, Aminuddin joined Sime Securities Sdn Bhd as an Economist, Research Department and thereafter, as Marketing Executive with Sime AXA Assurance Sdn Bhd from 1998 to 1999. He was with Consolidated Plantations Bhd as the Senior Executive, Corporate Planning from 2000 to 2001. From 2001 to 2014, he was attached to various government agencies having served as the Special Officer to the Minister of Youth and Sports, Private Secretary to the Minister of Education and Minister of Home Affairs and Principal Private Secretary to the Minister of Transport. Encik Aminuddin is currently the Group Chief Corporate Officer at Jasa Baiduri Sdn. Bhd.

He is currently an Independent Non-Executive Director of Sentral REIT and Privasia Technology Berhad. He has no family relationship with any Director and/or substantial shareholder of the Company.

PROFILE OF DIRECTORS
(cont'd)

MR CHONG SENG YAU

Director
(Independent Non-Executive Director)

Mr Chong Seng Yau, Malaysian, male, aged 38, was appointed to the Board on 18 June 2026. He is the Chairman of the Audit Committee and is a member of the Remuneration and Risk Management Committees.

Mr. Chong holds a Bachelor Degree in Accounting and Finance from Segi College in collaboration with University of Greenwich, London, United Kingdom. Following his graduation in 2011, he commenced his career in the field of finance and accounting and subsequently joined Ramada Plaza Kuala Lumpur, where he was involved in financial reporting, audit coordination, taxation and finance operations. Subsequently, he joined LDS International Asset Management Sdn Bhd as an Account Manager, leading a finance team responsible for the financial management and reporting of residential and commercial properties, while regularly presenting financial and operational matters to Joint Management Bodies (JMBs) and Management Corporations (MCs). He is currently the Head of Finance of Perumahan SLG Central Sdn Bhd, a property development company, where he oversees the Company's overall financial management, governance and compliance functions. He has more than 12 years of experience in finance and accounting across the hospitality, property management and property development sectors. He also plays an active role in stakeholder management, policy implementation and financial performance monitoring.

He is not a director of any other public company. He has no family relationship with any Director and/or substantial shareholder of the Company.

CONFLICT OF INTEREST

None of the Directors has any conflict of interest with the Company.

CONVICTION OF OFFENCE

None of the Directors has been convicted of any offence within the past 5 years.

PROFILE OF KEY SENIOR MANAGEMENT

PATRICK LIM SENG CHYE

Chief Financial Officer

Patrick Lim Seng Chye, Malaysian, male, aged 58 joined the SHH Group as its Group Accountant in June 1998 and was appointed as a Director of Deseng Hardware (M) Sdn Bhd on 27 December 2024 and SHH Furniture Industries Sdn Bhd and Kurnia Sejati Sdn Bhd on 10 June 2025. He is a Chartered Accountant, member of the Malaysian Institute of Accountants and a member of the Malaysian Institute of Certified Public Accountants. He started his career with Price Waterhouse in 1988 as an audit assistant and was promoted to assistant manager before joining the SHH Group in 1998. He was promoted to his present position in December 2017.

He is not a director of any other public company. He has no family relationship with any Director and/or substantial shareholder of the Company.

DATUK GAN HONG SU

General Manager

Datuk Gan Hong Su, Malaysian, male, aged 58 joined the SHH Group as its General Manager in July 2020. He obtained a Degree from the National Taiwan University, Taipei, Taiwan majoring in Banking and Finance. He started his career with Mayteck Industries Sdn Bhd as a Factory Manager in 1994. Over the years, he joined various organisations and possesses extensive experience in manufacturing, farming and property development and has held various senior positions as Factory Manager, Marketing Manager, General Manager and Head of Sales and Marketing.

He is not a director of any other public company. He has no family relationship with any Director and/or substantial shareholder of the Company.

CONFLICT OF INTEREST

None of the key senior management has any conflict of interest with the Company.

CONVICTION OF OFFENCE

None of the key senior management has been convicted of any offence within the past 5 years.



CHAIRMAN'S STATEMENT

"On behalf of the Board of Directors of SHH RESOURCES HOLDINGS BERHAD, it is my pleasure to present to you the Annual Report and the Financial Statements of the Company and its subsidiaries for the financial year ended 30th June 2026."

OPERATIONAL REVIEW

The financial year ended 30 June 2026 was challenging for the Group's furniture business. Demand from the United States remained subdued amid elevated borrowing costs, housing affordability pressures, tariff uncertainty and cautious discretionary spending on furniture and household goods. Industry data showed that U.S. residential furniture orders for 2025 were broadly flat compared with 2024, while shipments declined approximately 1% year-on-year.

The U.S. furniture market remained challenging through 2025 and into 2026. Elevated housing and financing costs, tariff uncertainty and cautious discretionary spending continued to weigh on furniture demand. As at June 2026, the average U.S. 30-year fixed mortgage rate was 6.49%. US Personal Consumption Expenditures (PCE) inflation for June 2026 was subsequently reported at 3.7% year-on-year, with core PCE inflation at 3.3%, remaining above the Federal Reserve's 2% longer-term objective.

Against this backdrop, orders from our U.S. customers during the first six months of the financial year were lower than in the corresponding period, following the front-loading of orders before the implementation of reciprocal tariff by the US government. Orders remained subdued during the second half of FY2026 due to the Middle East conflict which resulted in spike in fuel and energy prices. The Group's U.S. dollar sales declined from USD17.18 million in FY2025 to USD13.18 million in FY2026, while the strengthening of the Ringgit against the U.S. Dollar further reduced Ringgit-denominated revenue. Group revenue consequently declined to RM53.80 million from RM75.26 million in the previous financial year.

Looking ahead, we expect the U.S. furniture market to remain competitive and price-sensitive. These conditions, together with trade-policy uncertainty, are likely to constrain the pace of recovery in furniture demand.

We are aligning our production schedule and workforce with prevailing order levels and are working closely with customers on inventory, shipment schedules, product design and pricing. These measures are intended to improve factory utilisation, preserve operating flexibility and ensure that our product offering remains responsive to customer priorities relating to design, cost, style, comfort and sustainability.

PROPERTY BUSINESS

The progress of our property development project in Bangi, Selangor Darul Ehsan remained unchanged during the financial year. According to the National Property Information Centre (NAPIC), national property transaction volume declined both in number and value of transactions. We will continue to monitor market conditions in Bangi and the wider Klang Valley and assess appropriate options for the development.

PROSPECTS

Trade-policy uncertainty, tariffs, geopolitical developments and freight-rate volatility are expected to remain important risks to global trade and the furniture industry. The United States government has imposed 10% tariff rate under US Trade Representative's Section 301 on imports from Malaysia, except for identified products receiving a zero tariff rate; the actual duty treatment applicable to the Group's products remains dependent on the relevant tariff classification and product-specific measures. The Group will continue to work closely with customers to maintain sustainable production levels and shipment arrangements.

ACKNOWLEDGEMENT

During the year, the Board saw the departure of Dato' Haji Obet bin Tawil, Madam Wong Wen Miin and Mr Stephen Low Chee Weng. I wish to extend our sincere gratitude and appreciation to Dato' Haji Obet for his long service and contributions to the Company and the Group. On behalf of the Board of Directors, I also wish to extend our appreciation and best wishes to both Madam Wong Wen Miin and Mr Stephen Low Chee Weng in their future endeavours.

I also wish to extend our sincere gratitude and appreciation to our management team and employees for their efforts in navigating the challenges arising from global political and trade tensions. We appreciate the long-standing support, cooperation and guidance of our valued customers, suppliers, business associates, bankers and regulatory authorities. To our business partners, we express our gratitude for your continued and unwavering support. Lastly, to the shareholders of the Company, we thank you for your confidence in and continued support of the Group.

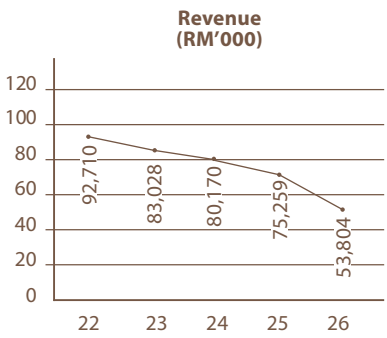
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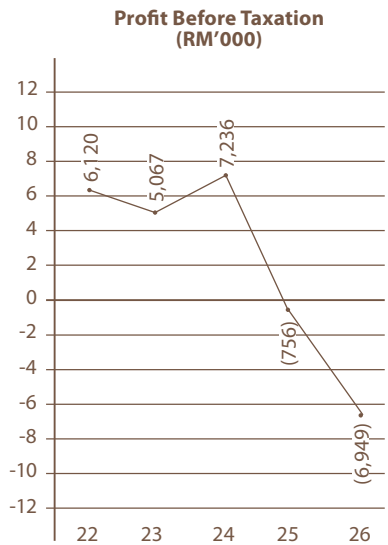
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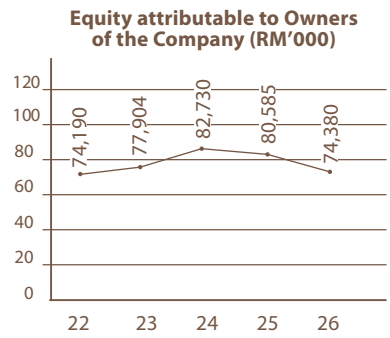


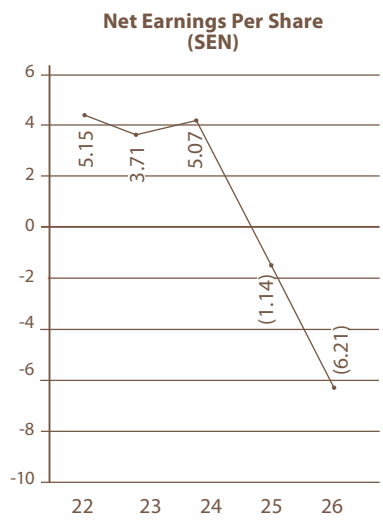
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FINANCIAL HIGHLIGHTS

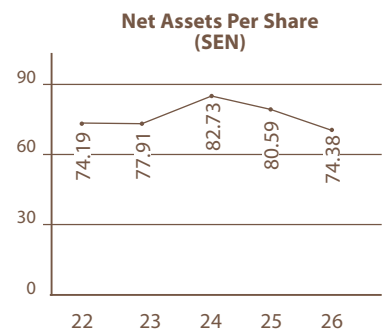
Financial year ended 30th June	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000	2026 RM'000
Revenue	92,710	83,028	80,170	75,259	53,804
Profit/(Loss) before taxation	6,120	5,067	7,236	(756)	(6,949)
Profit/(Loss) after taxation and attributable to Owners of the Company	5,150	3,714	5,074	(1,145)	(6,205)
Equity attributable to Owners of the Company	74,190	77,904	82,730	80,585	74,380
	sen	**sen**	**sen**	**sen**	**sen**
Net earnings/(loss) per share	5.15	3.71	5.07	(1.14)	(6.21)
Net assets per share	74.19	77.91	82.73	80.59	74.38











MANAGEMENT DISCUSSION & ANALYSIS

1. INTRODUCTION

We are a Malaysian based manufacturer and exporter of wood furniture. The Group has its beginning in the 1990s as one of the pioneers in the use of rubberwood as the main raw material for large-scale manufacturing of dining sets for the export market. Building on our success, we expanded our operations to the manufacturing of bedroom sets under Kurnia Sejati Sdn Bhd which is now one of the main contributors to our revenue. Today, we manufacture a wide range of wood-based home furniture using a combination of renewable wood-based materials, namely solid wood, MDF, particle boards and veneers.

Products and Markets

We specialise in the manufacturing of American and European styled wood-based home furniture. Our products can be divided into 2 categories, namely bedroom suites and dining furniture.

Our products comprise mainly wooden home furniture for the medium segment of the North American market. We have also shipped some of our products to the Middle East.

Our bedroom suites comprise beds, dressers, mirrors, nightstands, chest of drawers and other bedroom fittings. Our products come in various styles including transitional as well as contemporary designs.

We also manufacture a wide range of dining sets comprising dining tables, chairs, servers, buffets and hutches. These are complemented by occasional items such as coffee, end and sofa tables.

The US market accounts for more than 90% of our export revenue. Our customers are mainly major US furniture importers, wholesalers and retailers.

Manufacturing Bases

Our manufacturing activities are carried out at the Pagoh Industrial Area located in the district of Muar, Johor.

Our main office and manufacturing facilities are strategically located adjacent to the Pagoh Toll of the North South Expressway. Our manufacturing facilities, comprises 6 blocks of factory buildings, situated on 14.65 hectares of industrial land.

Our manufacturing facilities have a total built up areas of about 118,550 sqm and are equipped with panel-based wood-working machinery including automated panel saw, CNC machines, veneer joint machines, veneer presses, edge banding machines, lamination machines, turning machines, molding machines, sanding machines, conveyor towed pallet finishing lines and overhead conveyor finishing lines. We have a workforce of about 470 workers.

2. OVERVIEW OF THE BUSINESS ENVIRONMENT

Global Furniture Market and Industry Trends

The global furniture industry continued to expand during 2025 and into 2026, although market conditions remained challenging and uneven across regions and product categories. Industry estimates vary according to market definitions and coverage, but recent estimates place the global furniture market at approximately USD786 billion in 2025 and is projected to grow from USD 831.6 billion in 2026 to USD 1,334.1 billion by 2033, at a CAGR of 7.0% from 2026 to 2033 , while other forecasts indicating medium-term growth at a mid-single-digit rate.

The industry has, however, entered a more normalized phase following the exceptional demand experienced during the COVID-19 pandemic. The surge in spending on home furnishings during the pandemic has moderated as consumers resumed spending on travel, leisure and other services. At the same time, elevated interest rates, housing affordability constraints, higher living costs and cautious consumer sentiment have continued to weigh on discretionary purchases, particularly in mature markets such as the United States and Europe.

The furniture industry has also faced a more complex global operating environment. Geopolitical tensions, disruptions to major shipping routes, fluctuations in freight and raw-material costs and changes in international trade policies have increased supply-chain uncertainty. In particular, the significant changes to US tariff policies since 2025 and escalation in conflict in the Middle East have had a direct impact on furniture manufacturers and exporters serving the US market. US furniture importers have responded by accelerating shipments ahead of anticipated tariff increases, adjusting sourcing strategies and reviewing inventory levels. US seaborne furniture imports, for example, increased sharply in early 2025 before subsequently declining as tariff policies changed, illustrating the volatility created by the new trade environment.

Despite these short-term challenges, the long-term outlook for the global furniture industry remains positive. Continued urbanization, household formation, residential construction and renovation activity, particularly in emerging markets, are expected to support underlying demand. At the same time, digital commerce, technological innovation, multifunctional furniture, personalization, sustainability and changing lifestyles are creating new opportunities for manufacturers and retailers.

Against this backdrop, several key trends are expected to shape the furniture industry over the coming years:

1) Digital Transformation, E-Commerce and Artificial Intelligence

E-commerce has evolved from a pandemic-driven acceleration into a permanent and increasingly important component of furniture retailing. Consumers increasingly use digital channels to research products, compare prices, obtain design inspiration, read reviews and complete purchases. The continuing expansion of online furniture sales is encouraging manufacturers and retailers to invest in direct-to-consumer platforms, digital marketplaces and integrated omnichannel strategies.

The next stage of digital transformation is being driven by AI and immersive technologies. Furniture consumers are increasingly receptive to AI-powered recommendations, virtual assistants, product search and personalization. A 2025 survey of recent furniture purchasers found that 65% were interested in using AI during the furniture-buying process, while 43% expressed interest in AI-generated product recommendations and AI-powered chatbots.

The increasing adoption of these technologies is expected to reduce the distinction between online and physical retailing. Physical showrooms remain important, particularly for higher-value and experiential purchases, but their role is increasingly complemented by digital product discovery, visualization and purchasing. Companies that are able to integrate physical and digital channels into a seamless customer experience are expected to be better positioned to capture changing consumer purchasing behaviour.

Consequently, successful furniture companies are increasingly moving beyond traditional websites toward integrated digital ecosystems combining e-commerce, AI-powered recommendations, virtual visualization, personalization, customer reviews, digital customer service and omnichannel fulfilment. Physical stores remain important for high-value and experiential purchases, but their role is increasingly complementary to digital channels rather than being the sole point of purchase.

2. OVERVIEW OF THE BUSINESS ENVIRONMENT (cont'd)

2) The Evolution of Flexible Workspaces and Hybrid Working

The pandemic fundamentally changed workplace and home-working patterns, but the furniture implications have evolved beyond the initial surge in demand for home-office desks and chairs. Hybrid working has become a more established and permanent feature of many workplaces, while companies are simultaneously encouraging employees to spend more time in the office.

The result is a shift from simply adding more desks toward creating more flexible, collaborative and adaptable work environments. In the Americas, CBRE's 2025 survey found that employers expected employees to work in the office an average of 3.2 days per week, compared with employees actually averaging 2.9 days. Seventy-five percent of companies reported using unassigned seating for at least some employees, reflecting the growing importance of flexible workplace design.

More recent global workplace data reinforces this trend. CBRE's 2026 benchmarking indicates that global office utilization has recovered significantly, while companies continue to optimize space because hybrid work means that not all employees require a dedicated workstation every day. This is creating demand for modular workstations, ergonomic seating, collaborative tables, meeting furniture, acoustic solutions, hot-desking systems and flexible office layouts rather than simply increasing the number of traditional workstations.

For residential furniture, the longer-term impact of hybrid work remains relevant, but the opportunity has shifted from the pandemic-era "home office boom" toward multifunctional furniture that allows living spaces to serve multiple purposes. Space-saving desks, adaptable storage, ergonomic seating and multifunctional furniture are therefore likely to remain important categories.

3) Social Commerce and Digital Marketing

Social media has evolved from primarily being a brand-awareness and marketing tool into an increasingly integrated part of the customer journey. Platforms such as Instagram, Facebook, TikTok, Pinterest and YouTube allow furniture brands to combine visual inspiration, product discovery, influencer recommendations, customer-generated content and, increasingly, direct purchasing.

The visual nature of furniture makes social commerce particularly relevant. Consumers can discover room designs, furniture combinations and interior-design ideas through social media and move directly from inspiration to product research or purchase. Social commerce also enables furniture companies to reach targeted customer groups at relatively low cost and to use data from customer interactions to refine product positioning and marketing.

The growing importance of social commerce also reinforces the need for an integrated omnichannel strategy. Rather than treating physical stores, websites, marketplaces and social media as separate channels, furniture companies increasingly need to provide a consistent customer experience across all touchpoints. This includes digital product information, online reviews, personalized recommendations, virtual visualization, flexible delivery and easy returns.

2. OVERVIEW OF THE BUSINESS ENVIRONMENT (cont'd)

4) Increasing Interest in Sustainability, Circularity and Product Longevity

Sustainability has become an increasingly important consideration in the furniture industry, particularly with respect to responsible sourcing of timber, recycled and recyclable materials, product durability, waste reduction, packaging, carbon emissions and end-of-life disposal. A recent furniture-industry survey found that more and more consumers considered themselves environmentally conscious and would likely to purchase furniture labelled as sustainable.

Consequently, the furniture industry's sustainability focus is increasingly moving beyond marketing claims toward measurable practices such as responsible material sourcing, recycled content, repairability, refurbishment, take-back programmes, reduced packaging, lower-carbon manufacturing and longer product lifecycles. Circular-economy initiatives are also beginning to emerge among major furniture retailers, including furniture take-back, refurbishment and resale programmes.

5) Greater Demand for Multifunctional, Modular and Space-Efficient Furniture

Changing lifestyles, urbanization and smaller living spaces are increasing demand for furniture that provides greater functionality within a limited footprint. Multifunctional and modular furniture including expandable tables, storage beds, convertible desks, modular sofas and adaptable storage systems is becoming increasingly relevant to consumers seeking flexibility and value.
This trend is reinforced by the evolution of hybrid work and changing household structures. Consumers increasingly expect furniture to accommodate multiple activities, such as working, dining, entertaining and relaxing, within the same living environment. Industry forecasts identify modular, space-saving and multifunctional furniture as important areas of future growth.

US Furniture Market

The North American furniture market, with the United States as its largest market, remains one of the world's major furniture consumption markets. The U.S. market is characterised by a large and diverse consumer base, relatively high household spending on home furnishings, established retail and distribution networks, and a significant reliance on imported furniture and furniture components.

Traditionally, U.S. consumers have prioritized quality and durability when purchasing furniture, particularly for categories such as wood furniture and wall décor, which are expected to have longer lifespans. While quality remains a key purchase driver, younger consumers, especially Millennials and Gen Z, tend to be more price-conscious than older generations. At the same time, sustainability has become an increasingly important consideration, with consumers showing greater interest in responsibly sourced materials, environmentally friendly production practices, and products designed for longevity. As demographic shifts continue and younger consumers gain greater purchasing power, online retail has emerged as the fastest-growing sales channel. Today's furniture shoppers expect not only high-quality products and transparent pricing, but also sustainable options, responsive customer service, and a seamless omnichannel experience. They increasingly value the convenience of online shopping combined with the ability to engage with products and services through integrated online-to-store experiences.

The U.S. furniture market entered 2025 in a more normalised environment following the exceptional demand experienced during the COVID-19 pandemic. Consumers became increasingly selective and value-conscious as spending patterns normalised. According to Smith Leonard's Furniture Insights survey, U.S. residential furniture orders for 2025 finished broadly flat compared with 2024, while shipments declined approximately 1% year-on-year.

US Furniture Market (cont'd)

Housing-market conditions continued to influence furniture demand. At 25 June 2026, the average U.S. 30-year fixed mortgage rate was 6.49%, maintaining affordability pressure on prospective homebuyers. US Personal PCE Price Index for June 2026 was subsequently reported at 3.7% year-on-year, with core PCE inflation at 3.3%. Although current-dollar and real consumer spending continued to grow in June, elevated housing and financing costs remained a constraint on discretionary household purchases.

The industry was also significantly affected by changes in U.S. trade and tariff policies. Under the US-Malaysia Agreement on Reciprocal Trade announced in October 2025, the United States imposed a 19% reciprocal tariff rate on imports from Malaysia, except for identified products that receive a zero reciprocal tariff rate. This tariff was subsequently struck down by the US Supreme Court on 20 February 2026. Effective 24 July 2026, under the US Trade Representative's (USTR) Section 301 rules, Malaysia was placed in the lower tariff tier, facing a 10% flat additional tariff. The effective tariff burden on individual furniture products may also depend on tariff classification and any product-specific measures. These changes have increased uncertainty for manufacturers, importers and retailers in forecasting landed costs vis-à-vis historical landed costs, inventory carrying costs and pricing products and committing to longer-term sourcing arrangements.

These developments have accelerated changes in the U.S. furniture supply chain. Importers and manufacturers have increasingly diversified sourcing away from traditional supply markets in response to tariffs, labour costs and geopolitical risks. Vietnam, Mexico and other Southeast Asian countries have benefited from this restructuring, while China's share of U.S. furniture imports has declined. The shift has increased the importance of sourcing flexibility and geographic diversification as furniture companies seek to manage tariff exposure and supply-chain risks.

At the retail level, e-commerce and omnichannel distribution continue to reshape the furniture industry. Consumers increasingly research and purchase furniture online, while retailers are investing in digital platforms, data analytics, artificial intelligence-enabled customer engagement, fulfilment centres and more flexible delivery arrangements. Social media and digital marketing have also increased the speed at which furniture styles and consumer preferences change. Nevertheless, physical stores remain important for higher-value furniture purchases where consumers prefer to assess product quality, comfort, materials and construction before purchasing.

Consumer preferences are also evolving towards products that provide greater functionality and value. Multifunctional and space-efficient furniture, home-office products, modular furniture and products incorporating technology are gaining relevance, particularly in urban markets where living spaces are relatively constrained. Demand for durable, sustainable and environmentally responsible products is also increasing, although price remains a significant consideration for mainstream consumers.

The market is further affected by growing competition from second-hand, refurbished and resale furniture, particularly in the value-conscious segment. The expansion of online resale platforms has increased consumers' access to pre-owned furniture and created additional competition for entry-level and budget furniture products.

Looking ahead, the U.S. furniture market is expected to remain competitive and relatively price-sensitive. The recovery in housing activity, potential easing of interest rates and improving housing affordability could provide support for furniture demand. However, persistent inflation, elevated financing and housing costs, geopolitical conflicts in the Middle East and Russian/Ukraine, freight-rate volatility and continued changes in U.S. trade and tariff policies are likely to constrain the pace of recovery. The industry's performance will therefore depend increasingly on consumers' disposable income, housing activity, effective cost management, product innovation and the ability of manufacturers and retailers to adapt their sourcing and supply-chain strategies.

US Furniture Market (cont'd)

Overall, the U.S. furniture industry is transitioning from the exceptional pandemic-driven demand cycle to a more sustainable but structurally more challenging market environment. Companies with diversified sourcing capabilities, efficient supply chains, competitive pricing, strong product differentiation and established omnichannel distribution are expected to be better positioned to navigate the evolving market conditions.

3. BUSINESS OPERATIONS REVIEW

FURNITURE

The U.S. furniture market has continued to evolve through 2025 and into 2026, shaped by changing consumer preferences, digital transformation, omnichannel retailing and increasing demand for multifunctional, value-oriented and sustainable products. However, the market remains challenging as elevated living costs, high interest rates, a weak housing market and cautious consumer spending continue to constrain discretionary purchases. While the broader U.S. economy has demonstrated greater resilience than initially expected with consumer spending and business investment providing important support, economic growth remains moderate and inflation continues to run above the Federal Reserve's 2% target.

Changes in U.S. trade policy during 2025 and 2026 introduced a more uncertain operating environment for furniture importers and exporters. US furniture importers and retailers, who have just dealt with their over-inventorised positions, remained cautious due to the tariff uncertainties and weaker outlook on the US furniture market. Following the front-loading of orders by our U.S. customers in the second half of FY2025, orders during the first six months of FY2026 were comparatively lower than in the corresponding period. Customers remained cautious in managing inventory and landed costs, and the Group accommodated tariff-sharing price adjustments on selected products. These factors, together with softer discretionary demand for household goods, affected order levels and margins during the year.

The 2025 holiday period did not result in a broad-based acceleration in furniture orders. Smith Leonard's Furniture Insights survey reported that U.S. residential furniture orders for 2025 were broadly flat compared with 2024, while shipments declined approximately 1% year-on-year. Elevated borrowing costs and a subdued housing market also continued to constrain furniture purchases.

For 2026, the escalation of the Middle East conflict which has resulted in spike in fuel and energy prices added more challenges to the U.S. furniture industry which has already been plagued by weak market sentiments amidst high living costs, subdued housing activity and tariff uncertainties. These factors encouraged more cautious purchasing and inventory decisions among importers and retailers and, in turn, affected orders from the Group's US customers.

Despite the above challenges, the market continues to offer opportunities for companies that can adapt quickly. Consumers remain focused on value, functionality, durability and differentiated design, while retailers and manufacturers are placing greater emphasis on supply-chain flexibility, domestic or diversified sourcing, inventory management and direct-to-consumer and omnichannel strategies. Looking ahead, the U.S. furniture market is likely to experience modest rather than rapid growth, with the pace of recovery dependent on the trajectory of interest rates, housing activity, consumer confidence and the eventual stabilisation of U.S. trade and tariff policies.

Amidst these challenges, the Group will implement a decisive strategic plan to mitigate these risks, enhance operational resilience, and protect shareholders' value. We are committed to navigate these challenges with prudence and agility. The Group is focused on managing its resources and costs while focusing on optimising our manufacturing capacity and workforce.

3. BUSINESS OPERATIONS REVIEW (cont'd)

PROPERTY BUSINESS

Malaysia's property market moderated in the first quarter of 2026. According to the National Property Information Centre (NAPIC), national property transaction volume declined both in number and value of transactions.

Given these prevailing market conditions, the Company did not proceed further with its development project in Bangi, Selangor during the year as our focus is our core furniture manufacturing business. These notwithstanding, the Board remains optimistic about the longer-term prospects of the Bangi and Klang Valley property markets, supported by ongoing urbanisation, infrastructure improvements and economic development initiatives.

4. FINANCIAL REVIEW

Demand for furniture in the US remained subdued as customers responded to tariff uncertainty, elevated financing and living costs, and a challenging housing market. Following the front-loading of orders by our U.S. customers in the second half of the previous financial year, U.S. dollar furniture sales declined from USD17.18 million for the financial year ended 30 June 2025 (FY2025) to USD13.18 million for the financial year ended 30 June 2026 (FY2026), a decrease of approximately 23.3%.

The strengthening of the Ringgit Malaysia against the US Dollar during the financial year compounded the decline. The Group's average US Dollar to Ringgit exchange rate decreased from RM4.38 in FY2025 to RM4.08 in FY2026. Together with the lower US Dollar sales, this resulted in Group's revenue declining from RM75.26 million to RM53.80 million, a decrease of approximately 28.5%.

Manufacturing Costs

In line with the lower sales, total costs of raw material consumed dropped from RM41.54 million in FY2025 to RM31.12 million in the current financial year. Overall, availability and prices of raw materials, namely rubber wood, particle boards, MDF, hardware and carton boxes materials remaining fairly stable for the first half of FY2026 but towards the second half of FY2026 shortages and prices of raw materials have increased due to the spike in oil prices. Despite value engineering and other cost saving efforts, the significantly lower Ringgit sales and increased in raw material prices have also resulted costs of raw materials consumed, as a percentage of sales, increasing from about 55% in the preceding financial year to 58% in the current financial year.

The Group's total direct labour cost was also lower at RM13.94 million for FY2026 against RM16.62 million in FY2025. The lower turnover however give rise to a higher direct labour cost, as a percentage of sales of 25.9% for the current financial year compared to 22.1% in the preceding financial year.

Total manufacturing overheads decreased from RM7.14 million in FY2025 to RM6.46 million in FY2026. As a percentage of Group's revenue, manufacturing overheads were approximately 12.0% in FY2026 compared with approximately 9.5% in FY2025, reflecting the impact of lower production volumes on the absorption of relatively fixed manufacturing costs.

4. FINANCIAL REVIEW (cont'd)

Gross Profits

Weaker sales demand, and the appreciation of the Ringgit against the US Dollar contributed to a significant decline in Ringgit-denominated sales proceeds. Coupled with the largely fixed nature of certain manufacturing costs, the Group experienced considerable margin erosion with gross profit dropping from RM9.96 million in FY2025 to RM2.28 million in the current financial year.

The Group also recorded a lower other income of RM1.43 million in the current twelve months period compared to RM1.99 million in preceding year's corresponding period. The higher operating income in the preceding year ended 30 June 2025 was mainly due to the gain on the remeasurement of previously held equity interest of RM0.68 million and gain from bargain purchase of RM0.34 million on acquisition of the balance 51% equity interest in Deseng Hardware (M) Sdn Bhd recorded during that financial year.

Expenses

In line with the lower turnover, the Group recorded lower operating expenses of RM10.50 million in FY2026 compared to RM12.55 million in FY2025.

Total selling and distribution costs decreased from RM3.05 million in FY2025 to RM2.58 million in FY2026, mainly due to lower haulage and forwarding fees. This notwithstanding, as a percentage of Group's revenue, selling and distribution costs increased from approximately 4.05% to approximately 4.80% because of exhibition expenses incurred in the current financial year.

Total administrative expenses decreased from RM9.50 million in FY2025 to RM7.92 million in FY2026. The lower administrative expenses were partly attributable to the absence of the RM0.75 million deposit forfeiture relating to the termination of the SPA on Foods Wise Network Sdn Bhd that was incurred in the previous financial year and the lower administrative salary incurred in the current financial year.

Finance costs

The Group incurred slightly lower finance costs of RM0.16 million for the current year against RM0.21 million in the previous year, due mainly to the lower utilisation of banker acceptances for the current financial year.

Profit before Taxation

As mentioned previously, the Group's turnover was adversely affected by the lower demand of furniture and weakening of the USD against the Ringgit during the financial year. Given the significantly lower gross profit and other operating income and the relatively fixed operating expenses, the Group loss before tax widen from RM0.76 million in the previous financial year to RM6.95 million in the current financial year ended 30 June 2026.

Taxation

With the losses incurred for the current year, the Group recorded a tax credit of RM0.74 million in the current year compared with a tax charge of RM0.39 million in the previous year. The tax credit arises mainly from the reversal of deferred tax during the financial year.

4. FINANCIAL REVIEW (cont'd)

Profit attributable to equity holders of the Company

Given the challenging operating conditions, the Group incurred a higher loss attributable to the owners of the Company of RM6.20 million compared to a loss of RM1.14 million in the previous financial year.

Liquidity and Capital Resources

Given the losses incurred for the financial year, we sustained a substantial cash outflow from operating losses before working capital changes of RM5.13 million for the current financial year against a net cash inflow of RM0.77 million recorded in the previous financial year.

In terms of movement in working capital, the Group's financial year-end inventory levels were lower as most of our customers already reduced orders towards the end of the last financial due to the uncertainties arising from the initial imposition of tariffs by the US Government in early April 2025 and subsequently the conflict in the Middle East. The reduction in inventory levels freed up approximately RM5.02 million cash. Some of the funds freed from inventory were used to pay suppliers, hence the reduction in trade payables. This liquidation of inventory notwithstanding, we recorded a considerable outflow from operations of RM2.56 million for the current financial year compared to a net cash surplus from operations of RM0.94 million in the previous financial year.

Interest paid for the current year was lower at RM0.16 million compared to RM0.21 million in the previous year. We received lower interest income amounting to RM0.43 million from our fixed deposits compared to RM0.52 million in the previous financial year. During the financial year, the Group made lower tax payments amounting to RM0.48 million compared to RM1.51 million in the previous financial year. Given the weaker financial performance for the last 2 financial years, no dividend was declared or paid for during the financial. Likewise, the widening losses from operations give rise to a higher net cash used in operating activities of RM2.45 million for the year under review compared to a net cash used in operating activities of RM0.08 million in the previous year.

The challenges we faced during the year also means that we conserved our financial resources and focus only on ensuring that our plant and machinery are kept are good working conditions. For this, we spent RM0.57 in maintain and upgrading our plant and machinery which was largely funded from our cash reserves.

The drop in cashflow from operating activities notwithstanding, the Group recorded a lower net decrease in cash of RM3.72 million for the current year compared to a decrease of RM5.00 million in the previous financial year. Given the RM3.72 million net reduction in our net cash equivalent, our net cash position stood at RM19.21 million as at the end of the current financial year compared to a net cash equivalent of RM22.89 million at the end of the previous financial year. The drop in cash reserves notwithstanding, the Directors are of the opinion that the Group has sufficient cash and has available unused financial facilities from banks to meet the Group's operational and capital expenditure requirements for its existing furniture manufacturing as well as for other financial obligations for the foreseeable future.

4. FINANCIAL REVIEW (cont'd)

Gearing

The Group's net borrowings decrease from RM4.72 million at the end of the previous year to RM3.75 million at the end of the current year. The decrease in borrowings was mainly due to lower utilisation of bankers' acceptance.

Dividend Payout

In terms of dividend payment, we balance our cash reserves, ability to generate cash from operations and availability of financing facilities with our operational and planned capital funding requirements and our shareholders' desired level of returns.

The Group does not have a fixed dividend policy or payout ratio but remains committed to paying dividends when there is sufficient cash surplus or buffer after taking into consideration operating requirements, capital commitments, financing availability and the Group's financial position.

In view of the Group's weaker financial performance for current year and the operational and market uncertainties for the next financial year, the Directors, having taken the above factors into consideration, have decided not to recommend any payment of dividend for the current financial year.

5. FUTURE PROSPECTS

The U.S. furniture market is expected to remain competitive and price-sensitive in the near term. Elevated housing and financing costs, geopolitical risks, freight-rate volatility and trade-policy uncertainty are likely to constrain the pace of recovery. At the same time, consumers' continued focus on value, durability and functionality creates opportunities for manufacturers that can respond with differentiated products, efficient production and flexible supply-chain arrangements.

Looking ahead, we expect the market to be slow-moving in the coming financial year. The US furniture market is likely to remain subdued as inflation and interest rate outlook remained elevated. As of the Federal Reserve's 29 July 2026 meeting, the federal funds target range was 3.50%–3.75%. The Fed also stated that inflation remained elevated relative to its 2% objective. The industry's performance will depend increasingly on consumers' disposable income, housing activity, effective cost management, product innovation and the ability of manufacturers and retailers to adapt their sourcing and supply-chain strategies. Modest pace of recovery can only happen when U.S. trade and tariff policies stabilise and inflation and interest rates moderate.

Our competitiveness will increasingly depend not only on product design and manufacturing costs, but also on supply-chain resilience, sourcing flexibility and the ability to provide differentiated products at competitive prices. Management would continue to monitor its orders and optimise utilisation level required for the furniture operations to return to sustainable profitability.

To diversify our revenue base, our wholly-owned subsidiary, Pureyield Mining Sdn Bhd, has entered into an agreement to acquire a 51% equity interest in Stellar Jewel Mining Sdn Bhd, a company which has secured contractual rights to undertake gold mining and extraction activities on approximately 153.8 hectares of land at the Hutan Simpan Kekal Sokor Taku, Mukim Sokor, Daerah Kusial, Jajahan Tanah Merah, Kelantan. The acquisition will enable the Group to participate in the gold mining sector without having to independently source mining concessions, obtain the necessary contractual rights or establish mining operations from the ground up.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Statement is prepared in accordance with Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and the Malaysian Code on Corporate Governance 2021 ("MCCG") issued by Securities Commission Malaysia.

This Statement gives shareholders an overview of the corporate governance practices of the Group during the financial year ended 30 June 2026. This Statement is to be read together with the Company's Corporate Governance Report ("CG Report"), prepared in the prescribed format under the Main Market Listing Requirements. The CG Report is available on the Company's website at www.shh.com.my and Bursa Malaysia Securities Berhad's website at www.bursamalaysia.com.

The Board recognises the importance of good corporate governance in ensuring that the interests of the Company, shareholders and other stakeholders are protected. The Company's corporate governance policies and practices are based on three (3) key principles of good corporate governance as outlined in the MCCG, namely:-

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

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

A1. Board Responsibilities

The Board's role is to provide stewardship and control of the Group's business and affairs on behalf of shareholders. The Board has overall responsibility for the proper conduct of the Company's business in achieving the objectives and long-term goals of the Company.

The Board has adopted a Board Charter which sets out the composition, roles and responsibilities, leadership, delegation, and conduct and procedures of the Board and the management to ensure performance and accountability. In the Board Charter, the Board has clear functions reserved for itself and those delegated to the management. There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands. Delegation of authorities have also been put in place to ensure balance between operational efficiency and control over corporate and financial governance. The Board Charter acts as a source reference for the members of the Board and of the management with regard to their role and responsibilities.

The Board is also committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. The Code of Conduct, together with the Employees Handbook guide the Directors, management and employees in with regard to policies and ethics standards to be adhered to in the conduct of the daily affairs and business of the Group.

The Board has adopted a Whistle Blowing Policy for the Group where all queries or concerns regarding the Group may be convey to the Senior Independent Director or the Company Secretary at the registered office of the Company. In line with Section 17A of the Anti-Corruption Commission Act 2009 (Amendment 2018) the Board has also adopted an Anti-Bribery & Corruption Policy for the Group in June 2020.

The Board Charter, Code of Conduct, Anti-Bribery & Corruption Policy and Whistle Blowing Policy are subject to periodical review to ensure consistency with the Board's strategic intent as well as relevant new regulations and standards of corporate governance that may have an impact in discharging the Board's responsibilities. Details of the Board Charter, Code of Conduct, Whistle Blowing Policy and Anti-Bribery & Corruption Policy can be found on the Company's website at www.shh.com.my

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

A2. Board Composition

The Board of Directors of the Company currently comprises seven (7) members of whom three (3) are Executive Directors and four (4) are Non-Executive Directors. All the four (4) Non-Executive Directors are independent.

The Executive Directors have considerable experience in supply chain and logistic industries and financial and investments management. The skillsets and experience of the Non-Independent Directors are complemented by the experience and independent views of the Independent Non-Executive Directors who are experienced in the fields of accountancy and finance, taxation, banking, public administration and governance and investment management. A brief profile of each individual director is presented in the Profile of Directors section of this Annual Report.

The Board has two (2) female Directors, one (1) of which is an Executive Directors who is involved in the day-to-day management of the business of the Group. The Board is committed to gender diversity amongst its member and at the same time maintaining its priority in ensuring effective blend of competences, skills, capabilities, experience and qualification in the Board.

At present, more than half of the Board members are independent directors. The Board has prescribed that all independent directors provide an annual confirmation of his/her independence to the Board based on the Board's criteria of assessing independence as prescribed by the Listing Requirements.

At present, the tenure of all the independent directors are less than 9 years. The above notwithstanding, the Board has in place a policy that it will seek annual shareholders' approval for the retention of independent directors whose has served the Board for more than 9 years. To retain an Independent Director after the ninth (9th) year, the Board will seek annual shareholders' approval through a two-tier voting process at the Company's shareholders' meeting as follows:

Tier 1: **Only the large shareholder(s) of the Company votes; and**
Tier 2: **Shareholders other than large shareholder(s) votes.**

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

A3. Clear Roles and Functions of the Board

The roles of the Executive Directors, including the Executive Chairman, and the Non-Executive Directors are clearly separated to ensure that there is a balance of power and authority.

The Chairman is non-independent and holds executive power and along with our two (2) Executive Directors are involved in and responsible for the day-to-day management of the business of the Group. The Executive Chairman works alongside the other Executive Directors in a transparent, hands-on manner to constantly align operational performance and mitigate high-level commercial risks in real-time. The Chairman and the Executive Directors worked closely with key senior management staff to develop and review the corporate strategies, operational plans and targets for the Group. The Executive Directors manages a team of executives responsible for the execution of the functions to attain the desired corporate and business outcomes as set by the Board. In the managing of the day-to-day operations of the Group, the Executive Chairman along with the Executive Directors provide the leadership, direction, supervision and monitoring of the efficiency and effectiveness of the conduct of the Groups' business activities.

The Non-Executive Directors provides the independent views and vigour in the Board deliberation and decision-making processes in the interests of all stakeholders. The Independent Directors are responsible for the oversight of the governance structure and integrity of the financial reporting of the Group. The Non-Executive Directors also oversee the establishment of the Group's risk management framework and monitor the Group's status of compliance with the policies, procedures and internal control systems.

A4. Company Secretary

Board and committee members have access to the advice and services of the Company Secretaries, management representatives and, if deemed necessary, other independent professionals at the expense of the Company in the discharge of their duties. The Company Secretaries, who are qualified, advises the Board on any updates relating to new statutory and regulatory requirements pertaining to the duties and responsibilities of Directors. All proceedings from the meetings are minuted by the Company Secretaries and signed by the Chairman of the meeting.

A5. Supply of Information

All Board and committee members are provided with the requisite notice, agenda and board papers prior to the convening of each meeting. All information and documents are provided on a timely manner so that members are given sufficient time to prepare and, where necessary, obtain additional information or clarification prior to the meeting to ensure effectiveness of the proceeding of the meeting.

The board papers include, amongst others, the following:-

- Minutes of previous meeting;
- Quarterly and annual financial statements and reports;
- Internal audit plan and quarterly internal audit reports;
- Proposal for major investments and financial undertakings;
- Documentation on policies, sustainability and risk matters, operating procedures and control systems; and
- Documents relating to material ad-hoc developments or issues impacting the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

A6. Board Meetings

Eight (8) board meetings were held during the financial year ended 30th June 2026. Details of the attendance of Directors at the Board Meetings are as follows:-

Name	Attendance
Lew Khim Khim (Ken Lew)	8/8
Grace Khoo Ting Ting	8/8
Tan Chin Kiat	8/8
Marissa Lee Sher May	7/8
Aminuddin bin Mohd Arif (appointed on 15 June 2026)	1/1
Chong Seng Yau (Appointed on 18 June 2026)	1/1
Dato' Haji Obet bin Tawil (Resigned on 30 June 2026)	7/8
Wong Wen Miin (Resigned on 15 June 2026)	7/7
Stephen Low Chee Weng (Resigned on 18 June 2026)	7/7

A7. Board and Directors' Assessment

The Nominating Committee is primarily responsible for an effective Board and the assessment of the performance of the members of the Board.

The criteria used, amongst others, for the annual assessment of individual Directors include an assessment on their roles, responsibilities, qualification, competency, expertise and participation. For Board and Board committees, the assessment will be based on their progress in implementing the policy and/or on achieving those objectives set in their respective terms of reference.

In respect of the assessment for the financial year ended 30th June 2026, the Board, Board Committees and individual Directors conducted self-assessment based on the following criteria:-

- Assessment of performance of individual board members; board committees and the Board as a whole;
- Assessment of experience, competence and time commitment of board members;
- Assessment on board size, structure and balance in terms of skill and experience; and
- Evaluation of level of independence of independent directors.

The Nominating Committee was satisfied that the Board members and Board committees have discharged their duties and responsibilities effectively. The Nominating Committee is also satisfied with the Board composition in terms of structure, size, the balance between Executive, Non-Executive and Independent Directors and diversity in terms of skills, experience knowledge and gender.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

A8. Directors' Training

As part of its terms of reference, the Nominating Committee recommends relevant training programmes to enhance directors' skill and knowledge. Amongst the training programmes and seminars attended by the Directors during the financial year ended 30th June 2026 include:-

Director	Training Attended
Lew Khim Khim ("Ken Lew")	Have not attended any formal training during the year but shall attend suitable course(s) in the near future.
Grace Khoo Ting Ting	Have not attended any formal training during the year but shall attend suitable course(s) in the near future.
Tan Chin Kiat	Have not attended any formal training during the year but shall attend suitable course(s) in the near future.
Marissa Lee Sher May	Trust on Trial: Fiduciary Duties in the Modern Boardroom organised by Institute of Corporate Directors Malaysia.
Aminuddin bin Mohd Arif	Bursa Malaysia - Strategic Oversight in Strategy Implementation: Getting Execution Right at the Board Level organised by Institute of Corporate Directors Malaysia. A Director's Guide to e-Invoicing & MyInvois Portal: All you need to know about e-Invoicing as a Director organised by PwC.
Chong Seng Yau	Have not attended any formal training during the year but shall attend suitable course(s) in the near future.

A9. Remuneration

The Remuneration Committee is primarily responsible for matters relating to the remuneration of the Board and senior management, in order to motivate and retain executives and ensure that the Company is able to attract the best talents in the market in order to maximise shareholders' value. The Remuneration Committee operates under its own Terms of Reference the details of which can be found on the Company's website at www.shh.com.my.

In compliance with the Listing Requirements and MCCG practice, the details of the remuneration paid to each of the Directors of the Company for the financial year ended 30th June 2026, are as follows:-

	Salary, bonuses, EPF SOSCO and EIS (RM)	Fee/ Allowance (RM)	Benefit in kind (RM)	Total (RM)
Executive Directors				
Lew Khim Khim (Ken Lew)	138,977	-	-	138,977
Grace Khoo Ting Ting	125,172	-	-	125,172
Total	264,149	-	-	264,149

A9. Remuneration (cont'd)

	Salary, bonuses, EPF SOSCO and EIS (RM)	Fee/ Allowance (RM)	Benefit in kind (RM)	Total (RM)
Non-Executive Directors				
Tan Chin Kiat	-	57,000	-	57,000
Marissa Lee Sher May	-	57,000	-	57,000
Aminuddin bin Mohd Arif (appointed on 15 June 2026)	-	2,633	-	2,633
Chong Seng Yau (appointed on 18 June 2026)	-	2,234	-	2,234
Dato' Haji Obet Bin Tawil (Resigned on 30 June 2026)	-	88,000	-	88,000
Wong Wen Miin (Resigned on 15 June 2026)	-	80,500	-	80,500
Stephen Low Chee Weng (Resigned on 18 June 2026)	-	78,100	-	78,100
Total	-	365,467	-	365,467
Grand Total	264,149	365,467	-	629,616

While the MCCG has prescribed for disclosure of the detailed remuneration packages of its top five Senior Management staff on a named basis, the Board has considered and is of the view that the transparency and accountability aspects of corporate governance applicable for the top Senior Management staff are adequately served by the disclosure of the remuneration packages of these individual(s) in successive bands of RM50,000.

As two of the top five Senior Management are Executive Directors, their detailed remuneration on a named basis have been disclosed. The remuneration of the remaining three Senior Management on a no named basis in successive bands of RM50,000 for the financial year ended 30th June 2026 are as follows:

RM250,001 to RM300,000	1
RM300,001 to RM350,000	-
RM350,001 to RM400,000	-
RM400,001 to RM450,000	1
RM450,001 to RM500,000	-
RM500,001 to RM550,000	1

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

B1. Audit Committee

The Audit Committee was established by the Board to oversee the financial reporting, risk management and internal controls functions of the Group. The Audit Committee operates under its own terms of reference which is approved by the Board of Directors. The composition of the Audit Committee, including its roles and responsibilities as well as a summary of its activities carried out during the financial year ended 30th June 2026 are set out in the Audit Committee Report on pages 40 to 41 of this Annual Report.

The Audit Committee comprises of four (4) Independent Non-Executive Directors. The Board has appointed Mr Chong Seng Yau, who has a Bachelor Degree in Accounting and has practical experience in accounting and financial management as the Chairman of the Audit Committee. The members of the committee have a combination of accounting, business and economic tertiary qualifications, and are all financially literate and have experienced in the fields of accounting and finance; taxation; investment evaluation; banking; corporate management and public administration. This will enable them to understand matters discussed during the Audit Committee meetings, in particular on accounts related and financial reporting issues.

While the Company has no intention to appoint a former audit partner of the Company or its subsidiaries to serve on its Board, the Audit Committee nonetheless has adopted a policy that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee and such policy was incorporated in the terms of reference of the Audit Committee.

B2. Suitability and Independence of External Auditors

The Company, through the Audit Committee, has an appropriate and transparent relationship with the external auditors. The external auditors had provided a confirmation of their independence to the Audit Committee that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The Audit Committee met with the external auditors thrice during the current financial year under review. The Audit Committee had enquired about the assistance and cooperation given by employees to the external auditors and were satisfied with the management cooperation given to them.

The Audit Committee is also satisfied that the external auditors have and will be able to carry out their responsibilities in an unbiased and professional manner and thus recommended their re-appointment for the financial year ending 30th June 2027.

B3. Risk Management and Internal Control Framework

The Board recognises the importance of a sound risk management framework and an effective internal control system in improving risk management, enhancing controls and ensuring compliance with applicable laws and regulations. Although the Board retains responsibility for establishing and assessing the effectiveness of the Company's systems for management of material business risks, the Board has delegated the responsibility to assess the effectiveness and efficiency of the Group's internal control and risk management framework to the Risk Management Committee.

The Group has adopted a formal Risk Management Framework which describes how the Group identifies, assesses, monitors and manages significant risks. This evaluation covers financial, operational and compliance controls. The Statement on Risk Management and Internal Control, which provides an overview of the Group's Risk Management and Internal Control Framework, is set out on Page 42 to 48 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

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

C1. Compliance with Statutory and Financial Reporting Standards

In presenting the annual reports and audited financial statements and announcing quarterly results, the Board aims to present an accurate, balanced assessment of the Group's financial position and prospects.

The Directors are required by the Companies Act, 2016 to prepare financial statements for each financial year which have been made out in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards in Malaysia and which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year.

A statement by the Board of its responsibilities for preparing the financial statements is set out on page 39 of this Annual Report.

The Board is assisted by the Audit Committee in discharging its financial reporting responsibilities and in ensuring that the Group maintains an appropriate financial reporting process and high quality financial reporting. A full Audit Committee Report detailing its composition and a summary of its activities during the financial year is set out on pages 40 to 41 of the Annual Report.

C2. Corporate Communication and Disclosures

The Company acknowledges the importance of timely and equal dissemination of all material business, corporate and financial developments affecting the Group to all stakeholders.

The timely release of quarterly financial results of the Group and the issue of the Company's Annual Reports provide regular information on the state of affairs of the Group. These, together with other announcements to the Bursa Malaysia Securities Berhad, circulars to shareholders and, where appropriate, ad-hoc press statements and interviews are the principal channels for dissemination of information to its investors, stakeholders and the public generally.

The Group has adopted a "Whistle Blowing Policy" and an "Anti-Bribery & Corruption Policy" to enhance the integrity of the Group's governance framework and designated a Senior Independent Director to facilitate open communication with shareholders and all stakeholders. The details of these policies and contact persons are disclosed herein and made available at the Company's website at www.shh.com.my.

The Group also maintains a website at www.shh.com.my where shareholders as well as members of the public can access announcement, press releases and other information on the Company and on the business activities of the Group. Alternatively, they may obtain the Company's latest announcements via the website of Bursa Securities at www.bursamalaysia.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (cont'd)

C3. Shareholders Participation at General Meetings

General meetings of the Company represent the main venue for communication between the shareholders and the Company. Shareholders are encouraged to attend and participate at these meetings.

The Company dispatches its notice of General Meeting to shareholders at least 28 days before the said meeting. The notice of General Meeting provides information to shareholders with regard to details of the agendas to be presented at the General Meeting, shareholders' entitlement to attend the General Meeting and shareholders' rights and procedures relating to the appointment of proxies. The Constitution further entitles a member to vote in person, by corporate representative, by proxy or by attorney.

At the Company's Annual General Meetings, members of the Board, management representatives and the external auditors and where applicable, other advisers of the Company are present to answer queries. The Chairman briefs the procedures for the meeting and the conduct of polling for voting on resolutions to be tabled at the AGM. The Chairman also provides an account of the performance of the Group during the year under review prior to the tabling of the financial statements for approval by the shareholders. The shareholders are invited to raise questions or matters relating to the financial statements or the affairs of the Group before putting the resolution to a vote. Where applicable, the Directors will also present to the shareholders any written question raised by and responses given to the Minority Shareholders Watchdog Group or any shareholder who has written to the Company prior to the general meeting.

The Company's 31st AGM was held at the Ground Floor, Lobby 1, Crystal Plaza, No.4, Jalan 51A/223, 46100 Petaling Jaya, Selangor Darul Ehsan on 3rd December 2025 at 10.30 a.m.

All the Directors of the Company except for Mr. Tan Chin Kiat and Ms. Marissa Lee Sher May due to health reason, attended the 31th AGM and certain members of the Senior Management of the Company attended the 31th AGM.

During the AGM, the Chairman conducted a brief presentation on the Group's performance for the year and its business outlook. Shareholders who participated at the 31st AGM were able to raise questions during the AGM for the Company to respond. Answers and clarifications, where appropriate, were provided by the Directors and Senior Management of the Company. The poll voting on the resolutions tabled at the 31st AGM was conducted by the polling agent and scrutinised by the independent scrutineer appointed by the Company. The proceedings of the AGM and minutes of the meeting were recorded. The results of shareholders voting on the resolutions tabled at the AGM were announced on Bursa Malaysia website.

ADDITIONAL COMPLIANCE INFORMATION

Utilisation of Proceeds

No proceeds were raised by the Company from any corporate exercise during the financial year.

Audit and Non-Audit Fees

Audit and non-audit fees paid or payable by the Group and the Company for the financial year ended 30th June 2026 were as follows:

	Group RM	Company RM
Audit fees		
- PKF PLT	105,500	28,000
Non- audit fee		
- PKF PLT	7,000	7,000
	112,500	35,000

Financial Forecast

No profit forecast was issued by the Company during the financial year.

Material Contracts Involving Directors'/Substantial Shareholders' Interests

There were no material contracts subsisting or entered into by the Company and its subsidiaries involving any Directors or substantial shareholders of the Company or any persons connected to a Director or major shareholder of the Company during the financial year.

RECURRENT RELATED PARTY TRANSACTIONS

During the financial year, the Group does not have any Recurrent Related Party Transactions with any related party.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for the preparation of financial statements for each financial year. They are responsible for ensuring that these financial statements give a true and fair view of the state affairs of the Group and of the Company and the results and cash flows for the financial year then ended.

The financial statements are prepared on a going concern basis, in accordance with applicable approved accounting standards and comply with the provision of the Companies Act, 2016. It is the duty of the Directors to review the appropriateness of the basis before adopting the financial statements and present them before the Annual General Meeting together with their Report and the Auditors' Report thereon.

The Directors are also responsible for ensuring that proper accounting and other records are kept to sufficiently explain the transactions recorded. In preparing the financial statements, the Directors are required to exercise judgement to make certain estimates to be incorporated in the financial statements. The Directors are to ensure that the estimates made are reasonable and relevant to the financial statements.

AUDIT COMMITTEE REPORT

The Board of Directors is pleased to present the report of the Audit Committee for the financial year ended 30th June 2026.

The Audit Committee was established by the Board of Directors on 3rd May 1996 with its terms of reference approved by the Board of Directors. The Board has reviewed and updated the Terms of Reference of the Committee in line with the provisions of the Listing Requirements and the MCCG. The terms of reference of the Audit Committee is made available on the Company's website at www.shh.com.my.

MEMBERSHIP AND MEETINGS ATTENDANCES

The current members of the Committee are :-

1. Chong Seng Yau (Chairman of the Audit Committee)
   Independent, Non-executive Director

2. Marissa Lee Sher May
   Independent, Non-executive Director

3. Tan Chin Kiat
   Independent, Non-executive Director

4. Aminuddin bin Mohd Ariff
   Independent, Non-executive Director

During the year ended 30th June 2026, the Audit Committee held six (6) meetings. Details of the attendance of members at the Audit Committee meetings are as follows:-

Name of Members	Attendance
Chong Seng Yau (Appointed on 18 June 2026)	-/-
Marissa Lee Sher May	6/6
Aminuddin bin Mohd Ariff (Appointed on 15 June 2026)	-/-
Tan Chin Kiat (Appointed on 7 July 2026)	-/-
Wong Wen Miin (Resigned on 15 June 2026)	6/6
Stephen Low Chee Weng (Resigned on 18 June 2026)	6/6

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The main activities undertaken by the Audit Committee during the year ended 30th June 2026 included the followings:-

- reviewed the external auditors' scope of work and audit plans for the year;
- considered and recommended to the Board for approval, the audit fees payable to the external auditors;
- reviewed the internal audit functions in terms of resources, programmes and plan for the financial year under review and the annual assessment of the effectiveness of the internal audit activities;
- reviewed with the external auditors the results of the audit, the audit report, evaluation of the system of internal controls and the management letter, including management's response;
- reviewed the internal audit reports, recommendations and management' s responses thereto;
- reviewed the quarterly unaudited financial results announcements before recommending them for the Board's review and approval
- reviewed the annual report and the audited financial statements of the Company prior to submission to the Board for their consideration and approval; and
- reviewed the procedures relating to and the related party transactions entered into by the Group.

AUDIT COMMITTEE REPORT
(cont'd)

EXTERNAL AUDIT

The Audit Committee met with the external auditors thrice (3) times during the current financial year under review. The Audit Committee had enquired about the assistance and cooperation given by employees to the external auditors and were satisfied with the management cooperation given to them.

The Audit Committee is also satisfied that the external auditors have and will be able to carry out their responsibilities in an unbiased and professional manner and thus recommended their re-appointment for the financial year ending 30th June 2027.

INTERNAL AUDIT FUNCTION

During the financial year the Company outsourced its internal audit function to an independent professional firm which operates independently from the Group's operating units. The principal role of the Internal Auditors is to undertake independent regular and systematic reviews of the systems of internal control within the Group so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. It is the responsibility of the Internal Auditor to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating units within the Group.

The internal auditors, who report directly to the Audit Committee, shall carry out the internal audit activities as prescribed in the internal audit plan and assessment on the adequacy, efficiency and effectiveness of the Group's internal controls and management reporting system. The direct expenditure incurred for the internal audit function for the financial year ended 30th June 2026 is approximately RM84,577.

During the financial year, the Internal Auditors evaluated the adequacy and effectiveness of key controls within the Group's operating units in responding to the risk within the Group's governance, operations and information systems regarding the:

- maintenance of proper accounting records;
- reliability of financial information used within the business or for publication;
- safeguarding of assets against unauthorised use or disposition;
- efficiency and effectiveness of the running of the businesses and operations; and
- compliance with laws and regulations.

During the financial year, the Internal Auditors conducted and have presented the Internal Audit Reports to the Audit Committee pursuant to the internal audit review of the following audit areas in accordance with the Internal Audit Plan as approved by the Audit Committee:

- Purchasing and Payment Management
- Human Resource and Payroll Management
- Sales and Collection Management
- Inventory and Warehouse Management
- Management Information System- General Control

There were no material weaknesses noted by the Internal Auditor and the recommendations for improvement in internal controls were discussed with the respective heads of department for follow up action.

The Chairman of the Audit Committee had given a briefing to the Board on the Internal Audit Reports presented by the Internal Auditor at the Board meeting following each of the AC meetings.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Paragraph 15.26 (b) of the Listing Requirements, the Board of Directors is pleased to provide the following Statement on Risk Management and Internal Control of the Group, which had been prepared in accordance with the "Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers".

This Statement has been prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (SORMIC Guide 2025) issued by Bursa Malaysia Berhad and The Institute of Internal Auditors Malaysia, and has had regard to the relevant practices set out under Principle B (Effective Audit and Risk Management) of the Malaysian Code on Corporate Governance ("MCCG").

Board's Responsibility

The Board acknowledges that it is ultimately responsible for the Group's system of risk management and internal controls. The Board recognises that a sound risk management and internal control framework that identifies, evaluates, monitors, manages and mitigates the material risks that may affect its business objectives are key elements of good corporate governance.

Risk Management Committee

While the Board retains overall responsibility for establishing and assessing the effectiveness of the Group's systems for the management of material business risks, the Board has delegated responsibility for assessing the adequacy and effectiveness of the Group's risk management and internal control framework to the Audit Committee and the Risk Management Committee ("RMC"). The RMC is chaired by an Independent Director and is comprised of a majority of Independent Directors, in line with the step-up practice recommended under the MCCG.

Risk Management Framework

The Group has adopted a formal risk management framework which describes the manner in which the Group identify, assesses, monitors and manages risk. The risk management framework comprises the Group's risk management philosophy, policy and strategies; governance and management structures; and operational and control processes which are covered in the Group's Board Charter, Code of Conducts, Employees Handbook, standard operating policies and procedures (SOPs), Anti-Bribery & Corruption Policy and Whistleblowing Policy & Procedures.

Risk Management Policy Statement

The Group strives to:

- establish clear objectives, identify and evaluate the significant risks to the achievement of those objectives, set boundaries for risk taking and apply fit-for-purpose risk responses including risk mitigation where appropriate;
- incorporate risk responses into a system of internal control which is designed to address opportunities, protect people, the environment and assets;
- facilitate effective and efficient operations and help to ensure reliable reporting and compliance with applicable laws and regulations;
- monitor the effectiveness of the system of risk and internal control management;
- follow relevant group guidelines and standard operating procedures which relate to particular types of risk;
- maintain constant communication between top management and management (Head of Department) in the daily management of operations and through regular scheduled management meetings;
- highlight to the Board of Directors any changes in significant risk faced by the Group or emergence of new business risk for deliberation and decision making; and
- provide an annual assurance regarding the extent of its compliance with the group policies.

The Group believes that establishing and maintaining risk management procedures benefits the Group in terms of:

- effective strategic planning;
- better cost control and utilisation of resources;
- enhancing shareholder value by minimising losses and maximising opportunities;
- increased knowledge and understanding of exposure to risk; and
- a systematic and well-informed method of decision making.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(cont'd)

Implementation of the Risk Management Processes

In the implementation of the risk management process, strategic, financial and operational risks that impact the Group are identified, evaluated and managed within its risk appetite.

The implementation of the Group's Risk Management Processes entails the following:

- establishing and implementing across all the departments a formal risk management and internal control process;
- identifying functions and related risks in all operating units which may impact upon the Group;
- regular review by individual department on the performance and effectiveness of their risk management and internal control process;
- ensuring the risk management and internal control process is overseen by the independent internal audit team; and
- requiring the top management to certify to the Board of Director that the Company's risk management and internal control system is operating efficiently and effectively in all material respects.

The Risk Management Committee co-ordinate its activities and work closely with the Audit; Nomination and Remuneration Committee to ensure that internal controls and business risk management processes are integrated into the activities of these Board Committees.

Risk Management Process

The Board of Director put in place the Risk Management Process that will enable the identification, assessment, monitoring and management of material risk throughout the Group. It consists of eight (8) inter-related components as follow:

- internal environment - which involves setting the foundation for how risk and control are viewed and addressed by the Head of Department and employees of the department in individual Company;
- objectives setting - which involves the management of individual department to have a process in place to set objectives and that the chosen objectives are aligned with the Group's mission and vision;
- event identification - which includes identifying internal and external factors that influence how potential events may affect strategy implementation and achievement of objectives of the department;
- risk assessment - which requires an analysis of identified risks in order to form a basis for determining how they should be managed;
- risk response - which requires management of the individual department to select an approach or set of actions to mitigate risks where appropriate taking into account the Company risk profile;
- control activities - which includes the establishment and execution of policies and procedures to help ensure that the risk responses that management of the department selected are effectively carried out;
- information and communication - which requires relevant information to be identified, captured and communicated in a form and timeframe that enables people to carry out their responsibilities; and
- monitoring - which requires that the Risk Management Processes be monitored, and modifications made as necessary, to ensure the system can react dynamically and change as conditions warrant.

The Chief Financial Officer and Heads of Department are responsible for implementing the Risk Management Process in a manner which is appropriate for the Group. This process is reviewed and monitored across the Group by management of individual department in conjunction with the Company's internal auditors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(cont'd)

Risk Management Processes (cont'd)

Responsibilities of the team include:
- providing a centralised co-ordinating point for the promotion and facilitation of risk management;
- promoting risk management competence and helping Head of Department to align risk definition and responses; and
- reporting to the Risk Management Committee on the progress and effectiveness of risk management.

Heads of Department are expected to:
- resource, operate and monitor the system of internal control;
- ensure that a risk-based approach to internal control is communicated to staff, embedded in business processes and responsive to evolving risks;
- assign accountability for managing risks within agreed boundaries to the respective position; and
- report the results of balanced assessments regarding the effectiveness of the risk based internal control system, including identified weaknesses or incidents to top management.

The Board wish to state that the adoption of a formal Risk Management Framework and the establishment of the Risk Management Committee are designed to manage the Group's risks within an acceptable level, rather than to eliminate the risk of failure to achieve the business objectives of the Group. Therefore, it should be noted that such a system of risk management and internal control can only provide reasonable but not absolute assurance against material misstatement, financial losses or fraud.

Risks Assessment and Mitigation

The Risk Management Process results in the identification of a number of industry risks which may impact the Groups business. The significant risks identified and where applicable mitigating measures planned or undertaken are as follows:-

a) Change in US Administration, Policies and Regulations Risks

US policy changes, particularly on trade protection and imposition of tariffs have negatively impacted global trade and relationship. The imposition of various reciprocal tariffs rates from exporting countries has negatively impacted global trade and created disruptions and distortion in the global supply chain for most goods, including furniture imported into the US.

U.S. trade policy remained a material risk to Malaysian exporters. Under the U.S.–Malaysia Agreement on Reciprocal Trade announced in October 2025, the United States maintained a 19% reciprocal tariff rate on Malaysian imports, subject to specified product exemptions. This tariff was struck down by the US Supreme Court on 20 February 2026. Effective 24 July 2026, under the US Trade Representative's (USTR) Section 301 rules, Malaysia was placed in the lower tariff tier, facing a 10% flat additional tariff. US furniture importers are unable to predict the effects of tariffs and plan their procurement programmes, leading to a slowdown in their orders and delay shipment for their confirmed orders. Whatever the outcome, some form of tariff will be levied on imports of furniture from major furniture exporting countries into the US and this will result in higher costs, longer lead time due to customs clearance and ultimately higher sticker prices for furniture in the US. Despite improvements in supply chain operations and price dynamics, the market is still far from returning to full normalisation.

We maintain close contact and communication with our customers on the latest development on tariff and its impact on the US furniture market. We discuss with our customers on order/shipment forecast to reach an acceptable level of production and shipment to maintain satisfactory level of production activities for our factories.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(cont'd)

Risks Assessment and Mitigation (cont'd)

b) Geo-political Tensions and Logistic Interruption Risks

Recent geopolitical tensions including the Russian-Ukraine and US-Isreal-Iran conflicts, couple with US protective trade policies mentioned above, represent one of the biggest risk factors, causing considerable uncertainties to the economies and people's wellbeing.

High energy driven inflation and interruption in the supply chain caused by unpredictable circumstances add to manufacturing and logistic costs. Lower volume of shipments and elevated shipping rates during the financial year, couple with market uncertainties have also resulted in difficulties in production scheduling, delays in shipment of completed goods and congestion in production areas and finished goods warehousing. All these translate to higher landed costs and consumer sticker prices.

Subject to agreement with our customers, we maintain sufficient inventory levels and provide flexible shipping arrangement to accommodate changes in customer's shipping schedules, container availability and fluctuation in freight rates.

c) US Economy and Market Risks

Weaker employment, slump in the housing market, reversal of the pandemic peak spending on furniture, over inventorised position amongst furniture importers and distributors and more recently, increased uncertainties and higher costs brought on tariff imposed by the US Government have made it harder for furniture players along the supply chain to keep their businesses at a sustainable level. Inflation and high interest may cause an economic downturn and affect consumers' spending habits by decreasing the overall demand for home furnishings.

Given the reduced orders, we scaled down our workforce, reduced unnecessary overheads and have also put emphasis on inventory management and logistic, both for raw materials and finished goods. We ensure that all our production runs are based on confirmed purchased orders to reduce incident of overstocking, obsolesces and wastage of unused raw materials.

d) Foreign Exchange Risks

As an export business, the prices of our products are quoted and transacted in US Dollars. Due to the USD / Ringgit exchange rate fluctuation, we are exposed to foreign exchange translation risk on our US Dollar account receivables which may have a material impact on the financial position and performance of the Group. The recent declined in the USD against most currencies including the Ringgit have negatively impacted our Ringgit sales proceeds and ultimately our financial performance.

We continue to monitor exchange rates fluctuation and maintain certain sales proceeds in US Dollar for some of our imported material. We have and will continue to, where possible, re-negotiate with customers our selling prices given the significantly weaker US Dollar.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(cont'd)

Risks Assessment and Mitigation (cont'd)

e) Customers' Financial Standing and Default Risks

We monitor economic, social and political developments in the US which may impact the wellbeing of businesses and our customers in the US. This becomes more important during these times when major shift in government policies have major adverse impact on the macro-economy, businesses and consumers in the US. Financial difficulties experienced by our customers, including distributors, could result in lower orders, shipment delays and inventory issues and thereafter risks to trade receivables including delays in collection and greater bad debt expenses.

We have emphasised the importance of evaluating and maintaining a quality customers base. Longstanding relationship and good communication with our customers help us keep abreast with market developments and understand the challenges and business wellbeing of our customers. We have paid more attention on assessing the financial standing and credit worthiness of our customers, tightened credit policy especially amongst new customers and emphasised monitoring and collection of receivables.

f) Sustainability Risks

There is an increasing collective awareness of individual and business impact on the environment and a growing preference for innovative solutions focused on minimising waste and toxicity, regenerating energy and natural resources. As a result, the usage of sustainably source materials that are recyclable and easily available are becoming a priority. The furniture industry is moving towards more sustainable production and therefore, set to be more regulated, creating future growth opportunities that are expected to significantly reduce energy costs.

We are one of the manufacturers in Malaysia to use plantation wood for large-scaled furniture manufacturing. The major timber product used in our manufacturing operations is sawn-rubberwood which is 100% plantation wood. We source imported wood species from FSC certified suppliers. Where practical, we source from certified sustainable timber suppliers who have obtained Chain of Custody ("COC") certification to facilitate traceability of source materials. Similarly, most of our packaging materials are from recycled pulp-based products.

We are always mindful of efficient of these materials in the manufacturing and look for opportunities to enhance the use of our product during the product life-cycle to achieve better use of renewable and environmentally friendly materials, as well as cost-efficiency.

Internal Control and Internal Audit Function

The Internal Audit function is considered an integral part of the risk management framework and its primary objective is to provide assurance on the adequacy and effectiveness of the risk, control and governance framework of the Group.

Internal Control System

The Group has an established internal control structure to ensure effective control over the Group's business operations and to safeguard the value and security of the Group's assets.

The internal control system is designed to give reasonable assurance with respect to the:-

- maintenance of proper operational and accounting records;
- reliability of financial information used within the business or for publication;
- safeguarding of assets against unauthorised use or disposition;
- efficiency and effectiveness of the running of the businesses and operations; and
- compliance with laws and regulations.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(cont'd)

Internal Control and Internal Audit Function (cont'd)

Internal Control System (cont'd)

The Group's internal control system and monitoring procedures include:-

- defined systems and procedures for key operational and financial departments, including maintenance of good operational and financial records and controls and the production of timely and accurate financial and management information and reports;
- monitoring and control of key financial risks through clearly laid down authorisation levels and proper segregation of accounting duties;
- detailed reporting of trading results, balance sheets and cash flows, with regular review by the management, Audit Committee and Board of Directors;
- regular independent internal audit activities to monitor compliance with operational procedures and assess the integrity of operational and financial information provided; and
- regular information provided to the management, covering operational performance, key business indicators and financial and cash flow reports.

Internal Audit Function

The principal role of the Internal Auditor is to undertake independent, regular and systematic reviews of the systems of internal control within the Group's operating units to determine whether the operating procedures and internal controls established by the Group are adequate and complied with, in accordance with the internal audit plan approved by the Audit Committee. The Internal Auditor report directly to the Audit Committee who reviews and approves the Internal Audit Plan and Internal Audit Reports and to ensure that the function is adequately resourced with competent and proficient internal auditors.

The Internal Auditor provides the Audit Committee with independent and objective reports on the outcome and improvements recommended in each of the internal audit review assignments and present them in the Audit Committee Meeting. All Board members receive copies of management and audit reports and are involved in the decision and actions that are required to maintain the level of risk at an acceptable level.

During the financial year, the Internal Auditor has reviewed the adequacy and effectiveness of the internal controls. The details of the activities, scope and findings of the internal audits are presented in the Audit Committee Report herein. There were no material weaknesses noted by the Internal Auditor and the recommendations for improvement in internal controls were discussed with the respective heads of department for follow up action.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(cont'd)

Assurance

The Board has received assurance from the Chief Financial Officer that, to the best of his knowledge, the Group's risk management and internal control system is operating adequately and effectively, in all material respects, based on the risk management and internal control framework adopted by the Group, for the financial year under review and up to the date of approval of this Statement.

Review of the Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagement to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the financial year ended 30th June 2026, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material aspects:

(a) has not been prepared in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (SORMIC Guide 2025), or
(b) is factually inaccurate.

AAPG3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and Management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

Conclusion

The Board is of the opinion that the existing risk management and internal control system put in place is operating satisfactorily to safeguard the interest of the stakeholders and the Group's assets.

SUSTAINABILITY STATEMENT

1.0 ABOUT THIS REPORT

SHH Resources Holdings Berhad ("SHH" or "the Group") is pleased to present our Sustainability Report for the Financial Year Ended 30 June 2026 ("FY2026"). This report outlines our ongoing journey, strategic approach, and performance concerning our material Environmental, Social, and Governance ("ESG") matters. This report outlines the Group's approach and performance in managing its material Environmental, Social and Governance ("ESG") matters during FY2026.

1.1 Reporting Scope and Boundary

This report covers the ESG policies, initiatives, and quantitative performance data of SHH Resources Holdings Berhad and its subsidiaries over the period from 1 July 2025 to 30 June 2026.

To provide a transparent overview of our corporate footprint, our reporting boundaries are on the wooden furniture manufacturing segment (core focus).

This represents the primary driver of the Group's revenue and environmental footprint. The scope encompasses our main corporate headquarters and manufacturing facilities located in Pagoh, Muar, Johor, Malaysia. Data disclosures focus extensively on responsible timber sourcing, factory safety, raw material circularity, and employee welfare.

Exclusions

- Unless otherwise specified, the reporting boundary excludes third-party outsourced vendors, external logistics providers, and overseas distributors where the Group does not exercise direct management or operational control.

1.2 Reporting Frameworks and Standards

This report has been compiled in strict adherence to local regulatory demands while actively benchmarking against international best practices to ensure data comparability, accuracy, and institutional quality. The primary frameworks utilized include:

- Bursa Malaysia Securities Berhad Main Market Listing Requirements: Fully aligned with the enhanced sustainability reporting amendments, ensuring comprehensive disclosure on the mandatory common sustainability indicators (including emissions, water, waste, diversity, and health and safety).
- Global Reporting Initiative (GRI) Standards: Prepared "in accordance" with the GRI Standards. The GRI framework provides a universal language for reporting our material economic, environmental, and social impacts.
- Task Force on Climate-related Financial Disclosures (TCFD) & ISSB Standards: We continue to phase in alignment with the International Sustainability Standards Board (ISSB) climate disclosure architectures (IFRS S1 and S2), drawing directly from our historical TCFD alignments to address climate-related risks, metrics, targets, and governance mechanisms. As SHH is still in the transition phase to ISSB, SHH will adopt the baseline as SHH moves to adoption next financial year.

1.3 Feedback and Contact Information

We recognize that open dialogue with our stakeholders—investors, customers, suppliers, and regulatory bodies—is fundamental to refining our ESG strategies. We welcome your feedback, questions, and suggestions regarding our sustainability performance and report.

Please direct all inquiries or comments to our Sustainability Committee through the following channels:
Sustainability Committee
SHH Resources Holdings Berhad
PLO 1, Kawasan Perindustrian Pagoh,
84600, Pagoh, Muar
Johor Darul Takzim
Malaysia.

- Telephone: +606-973 6384
- Fax: +606-973 6804
- Email: sustainability@shh.com.my
- Corporate Website: https://shh.com.my

2.0 LEADERSHIP & STRATEGIC OVERVIEW

2.1 Joint Message from Executive Chairman

Dear Valued Stakeholders,

On behalf of the Board of Directors, we are pleased to present the Sustainability Report for SHH Resources Holdings Berhad ("SHH" or "the Group") for the Financial Year Ended 30 June 2026 ("FY2026"). This past year, the global wooden furniture manufacturing and export sectors navigated a landscape shaped by tightening international trade regulations, evolving supply chain dynamics, and an urgent global mandate to address climate change. At SHH, we have met these dynamics not merely as compliance requirements, but as operational catalysts to deepen our commitment to Environmental, Social, and Governance ("ESG") excellence.

Our sustainability strategy remains firmly rooted in our operational realities as a premier wooden furniture manufacturer. For SHH, sustainability means ensuring that our timber supply chains are legally sourced, our production facilities run at optimal energy efficiency, and our workers operate under fair, safe, and dignified conditions.

During FY2026, the Group continued to strengthen its management of greenhouse gas emissions, energy use and waste across its manufacturing operations. Scope 1 and Scope 2 emissions were recorded at 107.14 tCO_2e and 2,777.04 tCO_2e respectively, with further details provided in the Environmental section of this report.

Looking ahead, the horizon demands greater transparency and institutional-grade ESG reporting. As Bursa Malaysia phases in mandatory climate-related disclosures aligned with International Sustainability Standards Board (ISSB) standards, SHH is continuously refining its data collection frameworks. We look forward to building a resilient, circular, and highly competitive business model that delivers enduring value to our shareholders, protects our natural ecosystems, and elevates the communities where we operate.

We extend our sincere appreciation to our customers, suppliers, financial partners, employees and other stakeholders for their continued support and contribution. Together, we look forward to strengthening SHH's sustainability practices and creating enduring value for our stakeholders and the communities in which we operate.

Ts Dr Nazry bin Yahya
Executive Chairman

2.0 LEADERSHIP & STRATEGIC OVERVIEW (cont'd)

2.2 Corporate Profile and Our ESG Vision

SHH Resources Holdings Berhad is an established investment holding company listed on the Main Market of Bursa Malaysia Securities Berhad. For decades, our core operational identity has been defined by high craftsmanship, manufacturing efficiency, and volume export capabilities in the wooden furniture sector.

Operating primarily from its manufacturing hub in Pagoh, Muar, Johor, SHH specialises in the design, manufacture and global distribution of solid wood and wood-based home furniture. The Group's product portfolio includes:

- Bedroom Suites: Comprising mainly of beds, dressers, mirrors, nightstands, and chests.
- Dining Sets: Including dining tables, chairs, servers, buffets, and hutches.
- Occasional Furniture: Featuring accent pieces, coffee tables, end tables, sofa tables and chair side tables.

The Group's key export markets are concentrated in North America, mainly the United States and Canada.

Aligning Business Strengths with ESG Pillars
To transform this vision into a strategic reality, SHH aligns its operations across three core strategic pillars:

1. Sustainable Sourcing & Ecological Protection (E): Ensuring legal compliance through Chain of Custody (CoC) frameworks, using MTCS/PEFC and FSC-certified timber inputs where possible, and improving the recovery and reuse of wood manufacturing residues.
2. Human Capital Dignity & Safety (S): Maintaining a safe production environment through Occupational Health and Safety (OHS) systems, ensuring strict compliance with local labour standards, including the Malaysian Employment Act, and promoting fair treatment, inclusive growth and secure living arrangements for our foreign workforce.
3. Institutional Governance & Transparency (G): Maintaining zero tolerance for corruption through the Group's Anti-Bribery and Anti-Corruption (ABAC) policies, managing supply chain ESG risks through vendor codes of conduct, and promoting transparent financial and non-financial reporting.

2.0 LEADERSHIP & STRATEGIC OVERVIEW (cont'd)

2.3 Key Sustainability Highlights & Milestones (FY2026)

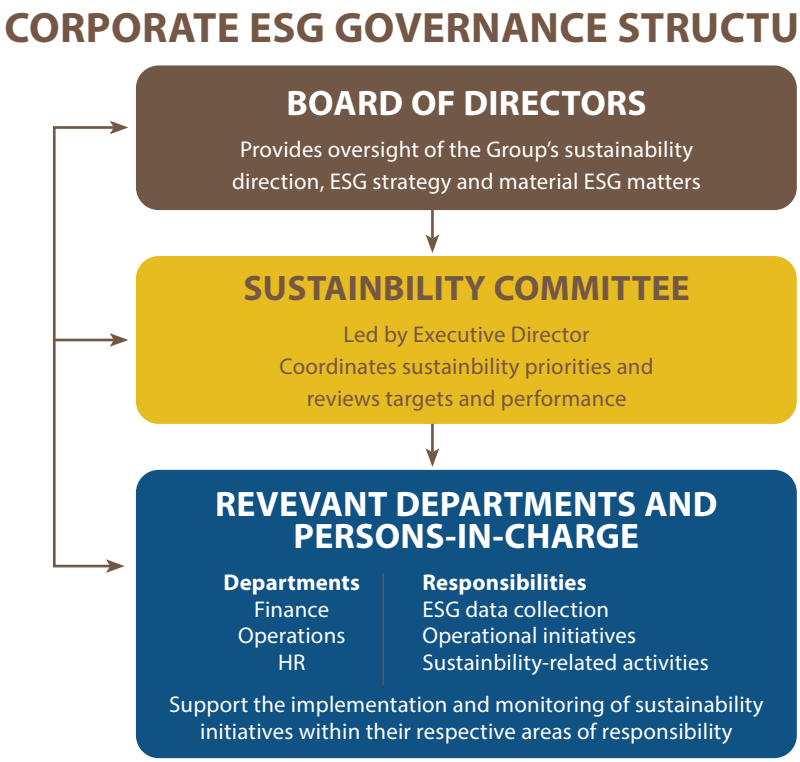
The Financial Year Ended 30 June 2026 ("FY2026") marked a pivotal period of ESG consolidation and data refinement for SHH Resources Holdings Berhad. Despite macroeconomic headwinds in the global furniture manufacturing and export sectors, the Group strengthened its operational resilience by driving decarbonization, expanding waste circularity, reinforcing factory floor safety, and upholding ethical governance standards.

Strategic Pillar	Key Achievement / Milestone	FY2026 Quantified Performance	Standard / Benchmark Alignment
Environmental	Scope 1 & Scope 2 Operational Emissions	2,884.18 tCO_2e	Bursa C2(a)/(b) / GRI 305-1, 305-2
	Scope 3 Value Chain Disclosure (Travelling and Commuting)	113.67 tCO_2e	Bursa C2(c)/ GHG Protocol Cat 6 & 7
	Non-Hazardous Waste Recovery & Diversion	656.92 MT diverted from landfill	GRI 306-3 / CG-BF-410a.2
	DOE Scheduled Waste Managed & Recovered	80.04 MT (100% licensed disposal)	Environmental Quality Act 1974
	Stack Emission Compliance (Biomass Boiler No. 2)	100% Compliant (PM: 49 mg/m^3)	Clean Air Regulations 2014
Social	Executive Leadership Gender Diversity	66.7% Female (18 of 27 positions)	Bursa C7(a) / GRI 405-1
	Board of Directors Gender Parity	33.3% Female (2 of 6 Directors)	30% Club Malaysia / MCCG
	Cumulative Employee Training Investment	1,387 Hours (6,414 hrs over 3 yrs)	Bursa C6(a) / GRI 404-1
Governance	Operations Assessed for Corruption Risks	100% of operational units	Bursa C1(b) / GRI 205-2
	Confirmed Corruption or Whistleblowing Cases	0 Incidents (3-year zero record)	Bursa C1(c) / MACC Act Sec 17A

3.0 SUSTAINABILITY GOVERNANCE

SHH recognises the importance of appropriate oversight and accountability in managing sustainability matters across the Group. Sustainability-related matters are overseen at the Board and management levels, with relevant departments supporting the implementation and monitoring of sustainability initiatives within their respective areas of responsibility.

3.1 Governance Structure



3.2 Roles and Responsibilities in ESG Management

To prevent governance gaps and ensure that our ESG targets are met, SHH delineates specific responsibilities across our leadership and administrative tiers:

Governance Tier	Key ESG Responsibilities
Board of Directors	Approves the Group's overarching sustainability strategies, policies, and performance targets. Ensures that material ESG risks are fully integrated into the Group's long-term business strategy. Maintains ultimate oversight of disclosures in the annual Sustainability Report.
Sustainability Committee	Led by the Executive Director and senior management executives. Monitors the implementation of sustainability initiatives against approved KPIs. Reviews performance data trends and reports progress directly to the Board.
Sustainability Working Group & Operational PICs	Comprises cross-functional heads (Operations, Procurement, HR, and Safety). Responsible for ground-level data collection, execution of green initiatives, and ensuring regulatory compliance. Maintains structural oversight of governance metrics—such as anti-corruption training logs, human rights records, and data collections—as organized within our master tracking frameworks within our Sustainability Working Committee.

3.0 SUSTAINABILITY GOVERNANCE (cont'd)

3.3 Risk Management & Integration of ESG Risks

SHH integrates sustainability risks directly into its corporate Enterprise Risk Management (ERM) framework. Rather than treating ESG issues as isolated compliance matters, we view them as strategic financial variables that can impact our operational resilience, market access, and brand equity.

We prioritize and manage our primary ESG risks through a structured mitigation approach:

1. Supply Chain & Raw Material Risk (Environmental)
   - The Risk: Tightening international regulations on timber sourcing (e.g., zero-deforestation mandates in global export markets) pose an operational risk if our wood supplies lack proper certification.
   - Mitigation: We manage this risk by using rubberwood as our primary raw material and by maintaining appropriate controls over the sourcing of timber and other wood-based materials.

2. Regulatory Compliance & Climate Transition Risk (Environmental/Governance)
   - The Risk: Transitioning to Bursa Malaysia's enhanced listing requirements and ISSB alignment requires sophisticated data tracking for Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions.
   - Mitigation: We have strengthened our data management processes to capture and monitor fuel consumption, electricity use and waste generation, supporting improved environmental performance tracking and reporting.

3. Human Capital & Labor Standards Risk (Social)
   - The Risk: As a manufacturing entity, any gap in worker welfare management or occupational safety protocols could disrupt production, impact our reputation, or violate the Malaysian Employment Act.
   - Mitigation: We maintain a strict policy for human rights or labour violations. Our HR and safety teams actively audit worker accommodations, ensure ethical recruitment practices, and run regular occupational health and safety training programs to drive site incident rates toward zero.

4. Integrity and Corruption Risks (Governance)
   - The Risk: Exposure to bribery or unethical conduct within procurement or regulatory interfaces could lead to legal penalties and damage stakeholder trust.
   - Mitigation: We mandate regular anti-corruption briefings across all tiers of employment (Management, Executive, and Non-Executive). Our strict Anti-Bribery and Anti-Corruption (ABAC) policy is supported by independent whistleblowing channels, with zero compliance complaints reported to date.

4.0 STAKEHOLDER ENGAGEMENT & MATERIALITY

SHH engages key stakeholder groups to understand their sustainability-related concerns and to inform the identification and prioritisation of material sustainability matters.

4.1 Stakeholder Engagement Matrix

SHH actively engages with stakeholders to capture key priorities, manage emerging market requirements, align its operations with the SASB Building Products & Finishings Standard and Bursa Malaysia Listing Requirements.

Stakeholder	Engagement Channels	Frequency	Key Material Issues Raised	Our Response & Tracking Framework
Global Customers & Retailers	Factory audits & site visits Orders negotiations Exhibitions and fairs Regular meetings and correspondences	Ongoing	Product Safety and quality Indoor air quality (low VOCs) Product development	Compliance with relevant safety standards Enforcing low-formaldehyde chemical materials.
Investors & Shareholders	Annual General Meetings (AGMs) Quarterly Financial Ad-hoc announcement	Annually Quarterly As required	Climate-related risk disclosures Financial Performance Corporate transactions	Structured transition towards ISSB (IFRS S1 & S2) architectures
Employees & Factory Workers	OHS site safety committee briefings Internal grievance channels	Monthly / Ongoing	Safe factory floor working conditions Adequate housing and welfare standards	Weekly factory safety reviews Routine audits of worker accommodations
Regulators & Local Authorities	Compliance audits (MTIB, DOE, JKKP) Official regulatory filings	Ongoing / As required	Scheduled waste compliance Industrial air emissions Adherence to Employment Act	Operational management of raw data Compliance with relevant regulations and law

4.0 STAKEHOLDER ENGAGEMENT & MATERIALITY (cont'd)

4.2 Materiality Assessment Process & SASB Alignment

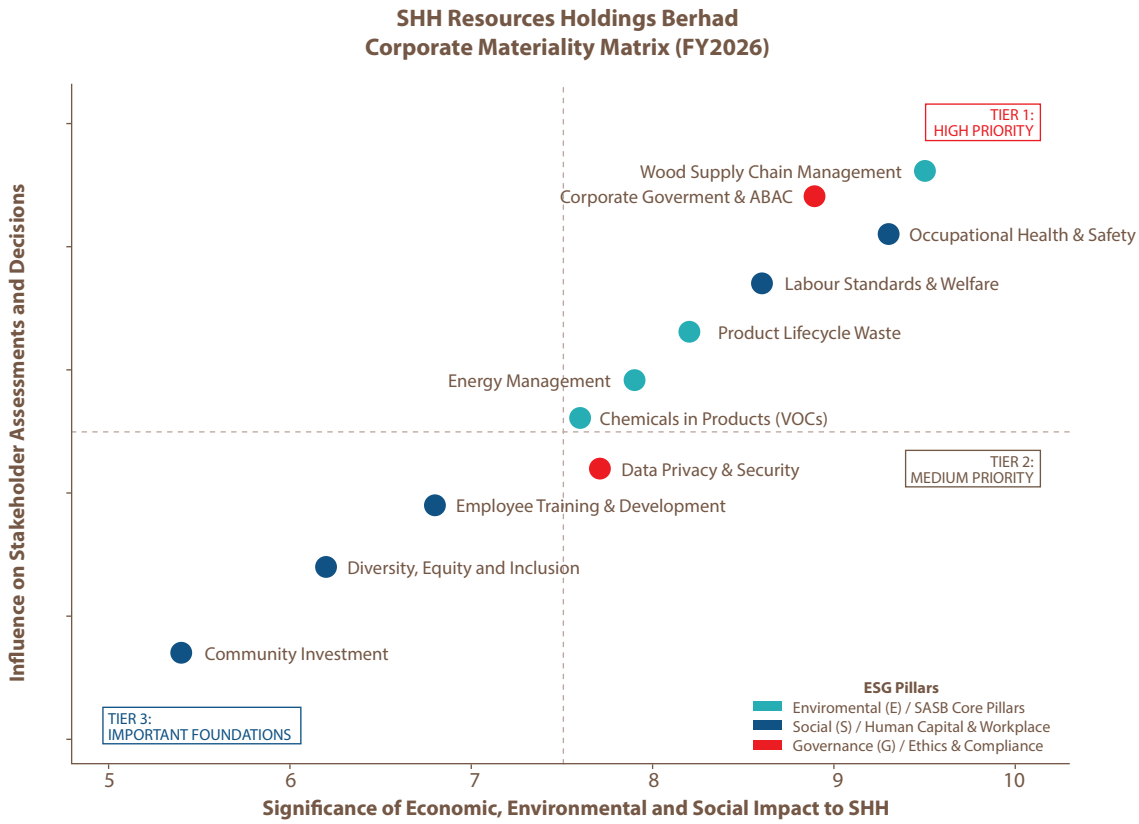
Our materiality assessment forms the operational foundation of our sustainability strategy. By combining local compliance mandates with the global SASB Consumer Goods Sector: Building Products & Furnishings Standard, we ensure our sustainability disclosures capture actual financial, environmental, and operational levers rather than generic philanthropic goals.

Our assessment process filters matter through a rigorous prioritization matrix based on two vital parameters:

- Significance of Impact to SHH: Evaluates how heavily a specific issue alters our cost of production, operational processing capacity, export legal standing, or capital accessibility in international markets.
- Influence on Stakeholder Valuations: Evaluates how much weight our institutional investors, commercial buyers, and regional regulators place on these disclosures when assessing our corporate resilience.

4.3 Corporate Materiality Matrix Graph

The distribution of our prioritized ESG matters for FY2026 is displayed in the diagram below. This clear, updated chart visually organizes our material matters into distinct priority categories, ensuring total clarity and zero label overlap:



4.0 STAKEHOLDER ENGAGEMENT & MATERIALITY (cont'd)

4.4 Matrix Prioritization & Tiered Architecture

Our material sustainability matters are categorized into three structured tiers, moving from direct compliance mandates to long-term community foundations.

Tier 1: High Priority (Critical License-to-Operate Pillars)

These issues sit at the peak of our matrix, representing areas where performance directly influences our global market access, regulatory standing, and core manufacturing activities.

- Wood Supply Chain Management: Material due to SHH's reliance on timber as a core manufacturing input and the importance of timber legality and sourcing requirements to customers and market access.
- Occupational Health & Safety: Material due to the occupational hazards associated with heavy manufacturing, machinery and factory operations.
- Corporate Governance & Anti-Bribery and Anti-Corruption: Material due to potential ethics and compliance risks arising from business, procurement and regulatory interactions.
- Labour Standards & Worker Welfare: Material due to SHH's labour-intensive operations and the importance of fair employment practices and worker welfare.

Tier 2: Medium Priority (Strategic Operational Enhancements)

These issues represent vital operational efficiencies that strengthen our business model, optimize industrial output, and insulate our cost structures against resource volatility.

- Product Lifecycle & Waste Management: Material due to the volume of wood residues, packaging materials and other wastes generated through furniture manufacturing.
- Energy Management: Material due to the electricity and thermal energy required for manufacturing, and machinery.
- Chemicals in Products: Material due to the use of chemicals in furniture manufacturing and product requirements in key export markets.
- Data Privacy & Security: Material due to the Group's management of commercial, employee and other business information.

Tier 3: Important Foundations (Ongoing Monitoring)

These pillars act as our long-term societal and organizational foundations. They are tracked consistently to maintain internal workplace health, steady human capital progression, and strong community relations.

- Diversity, Equity and Inclusion: Material to workforce representation, inclusion and human capital management.
- Employee Training & Development: Material to workforce capability, workplace safety and regulatory compliance.
- Community Investment: Material to the Group's relationship with communities surrounding its operations.

5.0 ENVIRONMENTAL STEWARDSHIP (E)

SHH's principal environmental matters relate to timber sourcing, greenhouse gas emissions, energy consumption, waste generation and water use across its manufacturing operations. This section presents the Group's FY2026 environmental performance in these areas:

5.1 Sustainable Timber Sourcing & Supply Chain Traceability

The responsible sourcing of timber remains a key environmental priority for SHH. In response to evolving international requirements on responsible and deforestation-free supply chains, as well as customer expectations across our key export markets, the Group continues to strengthen its timber sourcing and traceability practices. SHH primarily uses rubberwood in its manufacturing operations and seeks to source timber from responsible and legally compliant sources, including certified timber where possible.

5.1.1 Wood Fiber Procurement & Volume

In FY2026, SHH procured solid wood and wood-based components to support its furniture manufacturing operations.

- Total Wood Fiber Purchased: During the reporting period, SHH purchased a total of approximately RM 14.2 million wood, wood fibre materials and wood components.
- This total volume encompasses all virgin raw materials, recycled inputs, and semi-finished solid wood components (such as Rubberwood, Particle Boards, MDF and Plywood boards) consumed directly in our furniture production processes.

5.2 Climate Change and Greenhouse Gas (GHG) Emissions

Climate transition risks directly impact our operational overhead and market competitiveness. In preparation for the phased integration of the ISSB (IFRS S2) climate disclosure architecture, SHH has refined its carbon accounting to capture direct operations, grid reliance, and preliminary value-chain emissions.

5.2.1 Consolidated GHG Emissions Overview

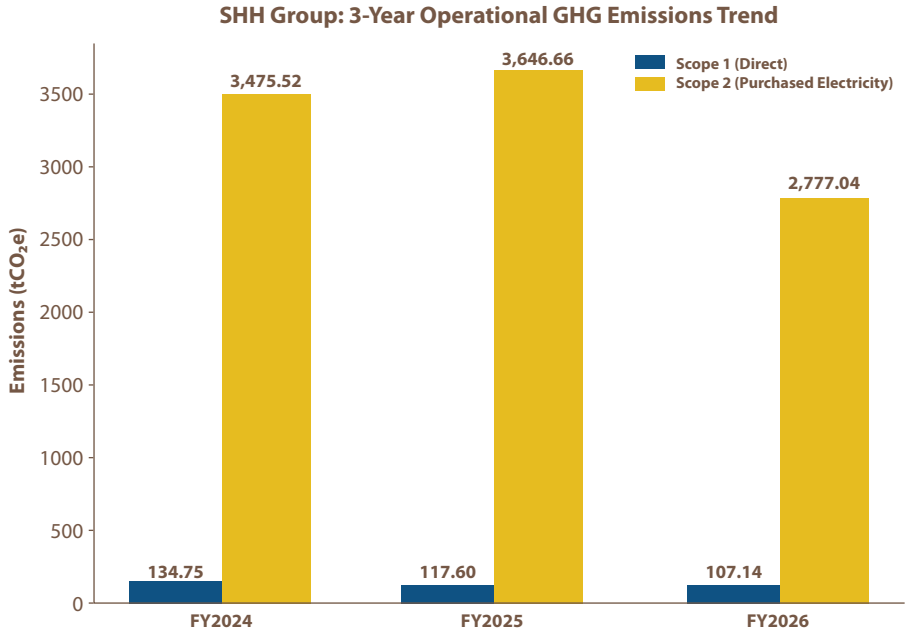
For the FY2026 reporting cycle, our updated aggregated corporate carbon footprint combines stationary and mobile fuel combustion, purchased grid power, value chain travel, and our detailed refrigerant gas inventory.

Emissions Category	Source	FY2026 Emissions (tCO2e)
Scope 1	Direct Operations (Fleet, Machinery & Fugitive Gases)	**107.14**
Scope 2	Purchased Grid Electricity	**2,777.04**
Scope 3	Value Chain (Business Travel)	**3.30**
	Employee commuting	**110.37**
Total Carbon Footprint		**2,997.85**

5.0 ENVIRONMENTAL STEWARDSHIP (E) (cont'd)

5.2 Climate Change and Greenhouse Gas (GHG) Emissions (cont'd)

5.2.1 Consolidated GHG Emissions Overview (cont'd)



5.2.2 Carbon Emission Intensity

To provide our stakeholders with a clear understanding of our operational efficiency and to decouple our environmental footprint from our absolute business growth, SHH tracks its Carbon Emission Intensity.

Because finished wooden furniture varies drastically in dimensions, material composition, and mass, calculating intensity based on final product weight does not provide a reliable efficiency baseline. Instead, SHH utilizes a Financial Intensity metric, which is the standard accepted by Bursa Malaysia and global financial institutions.

This metric evaluates our total operational greenhouse gas footprint (Scope 1 and Scope 2) against our corporate revenue generation, effectively illustrating how much carbon is emitted to generate every one million Ringgit Malaysia (RM) in revenue.

FY2026 Intensity Calculation Framework:
To calculate our baseline, we aggregate our direct and indirect operational emissions and divide them by our finalized corporate revenue for the financial year.

Total Operational Emissions: "Scope 1"+"Scope 2" = 107.14 + 2,777.04 = 2,884.18 tCO_2e

Economic Output: Total FY2026 Revenue (in RM Millions).

Our FY2026 Performance:

Metric	FY2026 Performance
Total Operational GHG Emissions (Scope 1 & 2)	**2,884.18** tCO_2e
Total Corporate Revenue	**RM53,804,498**
GHG Financial Intensity	**53.60** tCO_2e per RM 1 Mil Revenue

5.0 ENVIRONMENTAL STEWARDSHIP (E) (cont'd)

5.2 Climate Change and Greenhouse Gas (GHG) Emissions (cont'd)

5.2.2 Carbon Emission Intensity (cont'd)

Strategic Intensity Reduction:

Moving forward, our sustainability targets are focused on driving this intensity metric downward. As we implement our solar rooftop PV initiatives and optimize production efficiencies, we anticipate that our carbon intensity will decrease even as our manufacturing volume and corporate revenue continue to scale.

5.2.3 Scope 1: Direct Greenhouse Gas Emissions

Scope 1 emissions encompass the direct greenhouse gases released by our asset operations. This category consolidates mobile fuel combustion from our transport activities and fugitive emissions from industrial cooling architectures. During this reporting period, our total Scope 1 footprint reached 107.14 metric tonnes of CO_2e.

A. Mobile Combustion Fleet & Logistics

- Heavy Machinery & Industrial Fleet (Diesel): We recorded a total consumption of 32,404 Litres of diesel fuel. This was utilized primarily to power operational heavy transport lorries, and logistics vehicles required for moving materials and finished goods, contributing 86.25kg of CO_2.
- Corporate Vehicles (Petrol & Hybrid): Fuelling for executive transit, sales fleets, and site-to-site passenger movement totalled 8,875.82 Litres of fuel. This consolidates conventional petrol, hybrid corporate vehicles, and company-registered motorcycles, contributing 20.89 of tCO_2.

B. Fugitive Emissions (Cooling Infrastructure Gas Inventory)

SHH conducts an exhaustive asset inventory of all on-site localized cooling equipment. Refrigerant gases carry significantly elevated global warming potential (GWP) factors, requiring meticulous conservation and leakage monitoring.

Our quantified refrigeration inventory across all main facilities covers 99 total active cooling units supporting a collective 194.0 Horsepower (HP) capacity bank. This cooling network maintains an estimated static structural gas bank of 111.79 kg of refrigerant compounds, leading to an annualized operational loss footprint of 20.473 tonnes of CO_2e.

Plant / Location Designation	Total Active Units	Total Capacity (HP)	Est. Total Gas Bank (kg)	Annual Operational Emissions (tCO2e)
SHH-LOT 9237 & 9239 (HQ & Main Plant)	36	72.5 HP	42.78 kg	7.857
Lot 9243 & 9244 (K1) (Primary Production)	41	82.0 HP	47.63 kg	8.782
Lot 18833 (K2) (Supporting Manufacturing)	22	39.5 HP	21.38 kg	3.834
GRAND TOTAL FUGITIVE DISCLOSURE	99	194.0 HP	111.79 kg	20.473

Fugitive greenhouse gas emissions from localized cooling equipment are calculated using Global Warming Potential (GWP) multipliers from the IPCC Fifth Assessment Report specific type of refrigerant gas actively used in our air-conditioning infrastructure.

5.0 ENVIRONMENTAL STEWARDSHIP (E) (cont'd)

5.2 Climate Change and Greenhouse Gas (GHG) Emissions (cont'd)

5.2.3 Scope 1: Direct Greenhouse Gas Emissions (cont'd)

B. Fugitive Emissions (Cooling Infrastructure Gas Inventory) (cont'd)

Refrigerant gases trap heat in the atmosphere at a substantially higher rate than standard carbon dioxide. The GWP value dictates exactly how much more potent a specific gas is compared to CO_2 over a 100-year period, according to the Intergovernmental Panel on Climate Change (IPCC) standards.

1. The GWP Multipliers for our Inventory

By mapping the 99 units across our manufacturing facilities, we identify three primary hydrofluorocarbon (HFC) and hydrochlorofluorocarbon (HCFC) gas types.

Refrigerant Gas Type	Global Warming Potential (GWP)	Warming Impact vs. CO2
R410A	2,088	2,088 times more potent
R22 (Phasing out)	1,810	1,810 times more potent
R32 (Modern standard)	675	675 times more potent
Mixed/Unconfirmed (R22/R410A)	1,949	(Averaged baseline applied)

2. The Fugitive Emission Calculation Formula

Fugitive emissions are calculated based on the assumption that a small percentage of the total gas bank leaks into the atmosphere during normal operation and maintenance every year. For commercial split air-conditioning units, the standard GHG Protocol annual leakage rate is 10%.

The mathematical equation applied is:

$$\text{"Annual Emissions" } (tCO_2e) = \frac{\text{“Gas Weight (kg)”} \times \text{”GWP”} \times \text{”Leakage Rate (0.10)”}}{1000}$$

Based on the Group's refrigerant inventory of 99 active units and an estimated total gas bank of 111.79 kg, the above methodology resulted in estimated annual fugitive emissions of 20.473 tCO_2e for FY2026.

5.2.4 Scope 2: Indirect Greenhouse Gas Emissions

Purchased grid electricity represents our largest emissions category by a significant margin. This energy is primarily drawn to run heavy milling machinery, factory-wide dust extraction systems, and finishing operations.

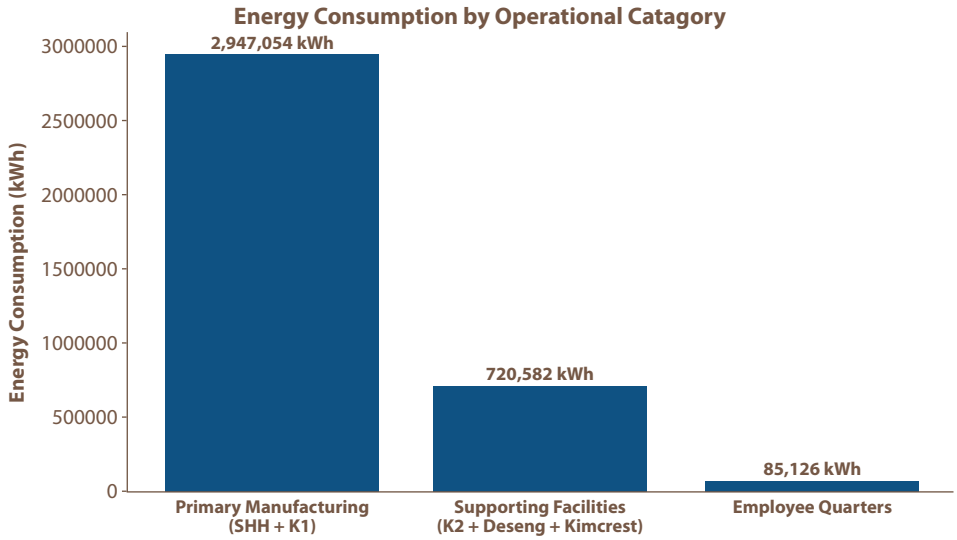
Based on the Peninsular Malaysia Grid Emission Factor (0.74kg CO_2/”kWh”), our total Scope 2 footprint is 2,777.04 metric tonnes of CO_2e.

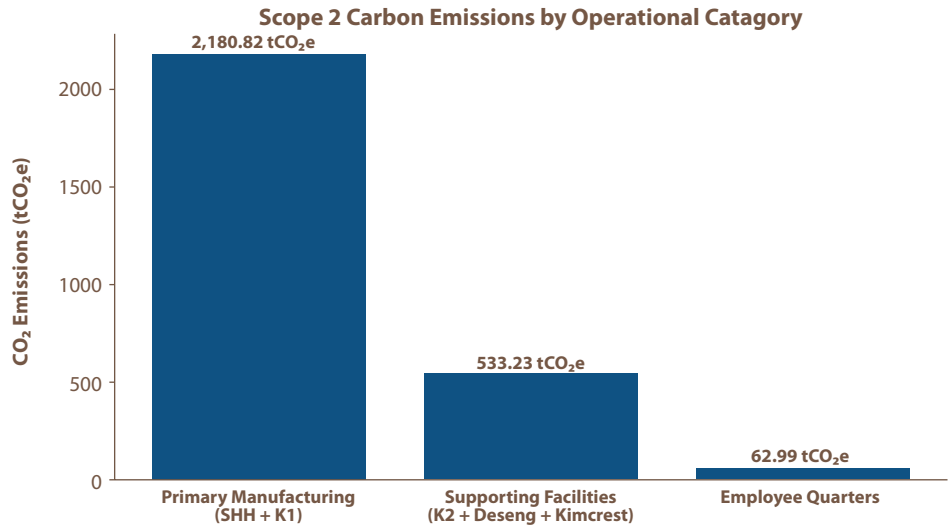
- Total Grid Draw: Across all corporate and manufacturing operations, SHH consumed 3,752,762 kWh of electricity.

5.0 ENVIRONMENTAL STEWARDSHIP (E) (cont'd)

5.2 Climate Change and Greenhouse Gas (GHG) Emissions (cont'd)

5.2.4 Scope 2: Indirect Greenhouse Gas Emissions (cont'd)





5.2.5 Scope 3: Progress on Value Chain Disclosures

During FY2026, SHH tracked emissions associated with Category 6, Business Travel, and Category 7, Employee Commuting. Business travel generated approximately 3.30 tCO_2e. Employee commuting generated approximately 110.37 tCO_2e. Accordingly, total Scope 3 emissions disclosed for these two categories amounted to approximately 113.67 tCO_2e.

5.3 Energy Management & Renewable Energy Initiatives

Operating heavy milling machinery, dust extraction systems, and finishing operations requires substantial electrical and thermal energy loads. Managing this energy intensity is a critical financial and environmental priority for SHH. Our strategy focuses on maximizing current efficiency, leveraging our own manufacturing byproducts as renewable thermal fuel, and aggressively exploring future solar infrastructure.

5.0 ENVIRONMENTAL STEWARDSHIP (E) (cont'd)

5.3 Energy Management & Renewable Energy Initiatives (cont'd)

5.3.1 Current Electrical Mix & Operational Efficiency

Electricity consumption across SHH's facilities is concentrated primarily within its main manufacturing operations. To manage the indirect carbon footprint (Scope 2) and operational costs associated with this consumption, SHH enforces continuous energy-efficiency measures across the factory floor:

- Primary Consumption Hubs: The main manufacturing plant and administrative centre at Lot No. 9237 & 9239 recorded electricity consumption of 1,500,994 kWh during FY2026. The K1 Plant at Lot No. 9243 & 9244 recorded 1,446,060 kWh.

- Secondary Consumption: Supporting facilities recorded electricity consumption of 402,045 kWh at Deseng, 294,909 kWh at K2, and 23,628 kWh at Kimcrest, while employee living quarters recorded a combined 85,126 kWh.

- Preventative Maintenance: Routine servicing of heavy machinery, air compressors, and centralized dust extraction units ensures equipment runs at peak electrical efficiency, preventing the power surges and increased draw caused by mechanical friction or air leaks.

- Facility Lighting & HVAC: We are progressively retrofitting aging factory lighting with high-efficiency LED infrastructure and enforcing strict idling policies for inactive machinery and administrative cooling units during non-production hours.

5.3.2 Biomass Thermal Energy Recovery (Circular Renewable Energy)

One of the intensive processes in wooden furniture manufacturing is the finishing operations of furniture. Rather than relying heavily on fossil fuels (such as diesel or natural gas) to generate the necessary heat, SHH operates a highly effective circular thermal energy system.

We systematically capture and redirect our own manufacturing wood waste specifically off-cuts, woodchips, and sawdust from our milling and moulding lines directly into our industrial boilers (Boiler 1 & Boiler 2) to generate steam and thermal energy.

Industrial Air Emissions & Stack Monitoring Compliance (GRI 305-7)

To ensure our biomass-fired boilers operate cleanly and comply with the Environmental Quality (Clean Air) Regulations 2014, SHH conducts periodic stack emission monitoring through DOE-accredited external laboratories.

In October 2025, independent stack emission testing conducted by Lotus Laboratory Services (M) Sdn. Bhd. (Report Ref: LS/AM/A6792/25) on Boiler No. 2 confirmed 100% compliance across all tested air quality parameters:

- Particulate Matter: Recorded at 49mg/m^3, well below the regulatory threshold of 150mg/m^3.
- Oxides of Sulphur (SOx): Recorded at 114mg/m^3, well below the maximum allowable limit of 400mg/m^3.
- Oxides of Nitrogen (NOx): Recorded at 42mg/m^3, performing 89% better than the 400mg/m^3 regulatory ceiling.

These results demonstrate that utilizing internal wood biomass to fuel our finishing operations provides clean thermal energy without compromising local air quality in the Pagoh Industrial Area.

5.0 ENVIRONMENTAL STEWARDSHIP (E) (cont'd)

5.3 Energy Management & Renewable Energy Initiatives (cont'd)

5.3.3 Renewable Energy Outlook & Solar PV Feasibility

While our thermal energy is heavily subsidized by renewable biomass, our electrical load remains tied to the national grid. Transitioning toward a renewable electrical mix is a primary objective within our medium-term sustainability roadmap.

Our manufacturing hubs in Pagoh feature expansive, unobstructed roof structures that are highly suitable for commercial solar integration. SHH is currently in the process of installing Rooftop Solar Photovoltaic (PV) systems at one of its plant in Pagoh.

The goals of this ongoing feasibility assessment include:

Load Deflection: Generating captive solar electricity to offset peak-hour grid consumption, directly reducing our Scope 2 emissions and shielding the company from future grid tariff hikes.

Structural Audits: Evaluating the load-bearing capacity of our older factory roofs to ensure safe panel installation.

Financial Modelling: Assessing the viability of Net Energy Metering (NEM) schemes and Corporate Green Power Programmes (CGPP) offered by the Malaysian government to accelerate our return on investment.

By combining active biomass thermal recovery with future solar electrification, SHH aims to establish a highly resilient, low-carbon manufacturing architecture.

5.4 Waste and Effluent Management

At SHH, our manufacturing process is intentionally designed around the principles of the circular economy. For a large-scale furniture manufacturer, this means ensuring that off-cuts, dust, and packaging do not default to landfills. By aggressively diverting wood residues and strictly managing hazardous chemical wastes in accordance with local Department of Environment (DOE) mandates, we reduce our environmental harm and generate secondary operational value.

Note: The FY2026 disclosures represent the first formal year of aggregated corporate waste tracking across all main SHH and KS manufacturing plants, capturing data up through June 2026.

5.0 ENVIRONMENTAL STEWARDSHIP (E) (cont'd)

5.4 Waste and Effluent Management (cont'd)

5.4.1 Non-Hazardous Solid Waste Recovery & Circularity

Wood manufacturing generates various non-hazardous waste streams from production and supporting activities. SHH segregates and recycles these materials as part of its waste management and resource recovery practices.

During FY2026, the Group recycled a total of 656.92 metric tonnes (MT) of non-hazardous waste. Dust represented the largest recycled waste stream at 631.20 MT, followed by paper at 11.66 MT, wooden pallets (Pell) at 6.07 MT, iron and metal waste at 4.50 MT, Hymo/Mix at 2.41 MT, paper rolls at 0.60 MT, binding strings (Tali) at 0.39 MT, and plastics at 0.09 MT.

The recycled non-hazardous waste streams comprised:

- Dust: 631.20 MT
- Paper: 11.66 MT
- Wooden Pallets (Pell): 6.07 MT
- Iron A/B: 4.50 MT
- Hymo/Mix: 2.41 MT
- Paper Roll: 0.60 MT
- Tali: 0.39 MT
- Plastic: 0.09 MT

Total Non-Hazardous Waste Recycled: 656.92 MT

5.4.2 Hazardous / Scheduled Waste Compliance

All hazardous and scheduled waste (SW) generated during furniture finishing or spray-coating, gluing, and machine maintenance are strictly monitored in compliance with Department of Environment (DOE) regulations. Scheduled waste is stored in secure, designated containment zones and transferred exclusively to DOE-licensed recovery contractors.

SHH recorded a total of approximately 80.04 MT of scheduled waste generated during FY2026 across SHH Furniture Industries Sdn. Bhd. and Kurnia Sejati Sdn. Bhd. All scheduled waste was managed through licensed waste contractors in accordance with applicable regulatory requirements.

- **SW 409 (Contaminated empty containers/drums): 27.95 MT**
- **SW 410 (Contaminated rags, filters and papers): 21.08 MT**
- **SW 416 (Paint, ink and lacquer sludge): 18.89 MT**
- **SW 417 (Liquid paint and lacquer waste): 11.25 MT**
- **SW 305 (Spent lubricating oil): 0.87 MT**

5.5 Water Stewardship and Conservation

While wooden furniture manufacturing is not a highly water-intensive process compared to wet-processing heavy industries (such as textiles or pulp manufacturing), SHH Resources Holdings Berhad recognizes that water is a critical shared natural resource. We are committed to responsible water stewardship across all our operational jurisdictions, actively monitoring municipal intake to ensure our operations do not place undue stress on the local water infrastructure of Muar, Johor.

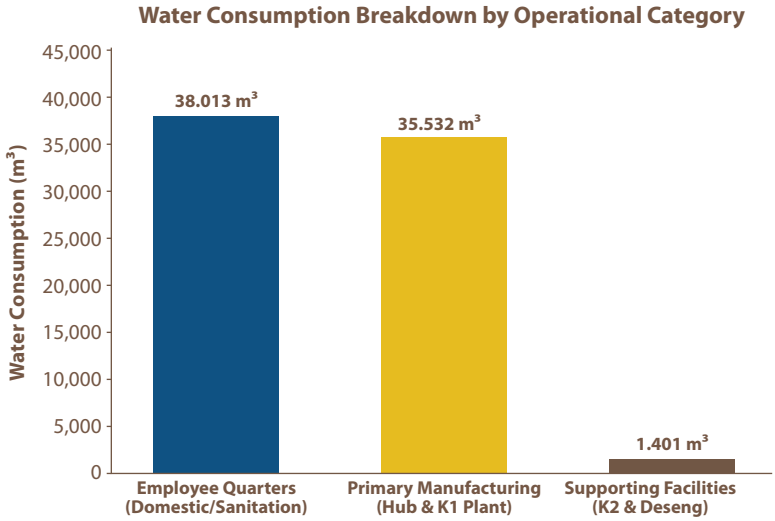
5.0 ENVIRONMENTAL STEWARDSHIP (E) (cont'd)

5.5 Water Stewardship and Conservation (cont'd)

5.5.1 Total Water Consumption & Distribution

For the FY2026 reporting cycle, 100% of our water intake was sourced from the local municipal supply network managed by Ranhill SAJ Sdn Bhd. The total aggregated water consumption across all SHH facilities and employee quarters amounted to 74,946 m^3, equivalent to approximately 74.95 megalitres.

To understand our water footprint accurately, we track consumption at the individual facility level. A significant portion of our municipal water consumption is attributable to employee quarters and manufacturing operations.



5.0 ENVIRONMENTAL STEWARDSHIP (E) (cont'd)

5.5 Water Stewardship and Conservation (cont'd)

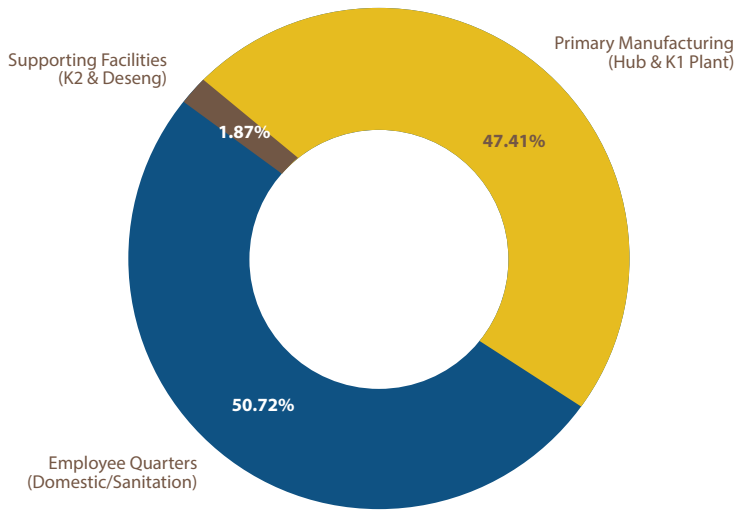
5.5.1 Total Water Consumption & Distribution

Water Usage Breakdown (FY2026):
Employee Quarters (Domestic/Sanitation): Water consumption at the Group's employee quarters amounted to 38,013 m^3 during FY2026. Lot No. 4036 recorded 31,432 m^3, while Lot No. 4041 recorded 6,581 m^3. Employee quarters accounted for approximately 50.72% of the Group's total water consumption.

Primary Manufacturing Facilities: Water consumption at the Group's primary manufacturing facilities amounted to 35,532 m^3. Lot No. 9237 & 9239 recorded 20,235 m^3, while the K1 Plant at Lot No. 9243 & 9244 recorded 15,297 m^3.

Supporting Facilities: The Group's supporting facilities recorded a combined water consumption of 1,401 m^3. Lot No. 18833 (K2) recorded 734 m^3, while Lot No. 9258 (Deseng) recorded 667 m^3.

Distribution of Corporate Water Footprint



6.0 SOCIAL RESPONSIBILITY & HUMAN CAPITAL (S)

SHH's material social matters include workforce composition, diversity, employee development, worker welfare and occupational health and safety. This section presents the Group's FY2026 performance across these areas.

6.1 Workforce Demographics & Composition

Operating a large-scale furniture manufacturing and export business requires a dynamic and structured workforce. During the FY2026 reporting period, SHH navigated shifting operational demands, resulting in a streamlined workforce. We began the year with a total headcount of 683 employees and closed the financial year with 468 employees. This adjustment reflects strategic operational leveling and natural attrition within our manufacturing lines.

To manage our operations effectively, our workforce is structured into four distinct tiers: Management, Executive, Non-Executive (including technical and factory floor operators), and General Workers.

Total Workforce Headcount:

- **Beginning of FY2026:** 683 Employees
- **End of FY2026:** 468 Employees

6.2 Diversity, Equity, and Inclusion (DEI)

SHH strongly believes that diversity in gender, age, and cultural background drives better decision-making and fosters a more resilient corporate culture. Our DEI metrics for FY2026 highlight strong female representation in executive roles and a balanced multi-generational workforce.

6.2.1 Gender Diversity

While the heavy manufacturing and timber processing floors naturally skew toward a male-dominated demographic (as seen in our Non-Executive and General Worker categories), SHH has achieved exceptional gender parity within our professional and administrative tiers.

Notably, our Executive category is proudly female-led, with women holding 67% (18 employees) of these critical roles.

Employee Category	Male Headcount	Male %	Female Headcount	Female %	Total
Management	3	100%	0	0%	3
Executive	9	33%	18	67%	27
Non-Executive	369	88%	48	12%	417
General Worker	19	90%	2	10%	21
Corporate Total	**400**	**85%**	**68**	**15%**	**468**

6.0 SOCIAL RESPONSIBILITY & HUMAN CAPITAL (S) (cont'd)

6.2 Diversity, Equity, and Inclusion (DEI) (cont'd)

6.2.2 Age Diversity & Talent Pipeline

Our age demographics showcase a stable blend of experienced leadership and prime-age operational talent. The core of our production and execution strength lies in the 30 to 50 age bracket, which makes up the majority of our Executive (63%) and Non-Executive (63%) tiers. Concurrently, we retain deep industry expertise in our Management tier, where 100% of our top management are above 50 years old, providing invaluable mentorship and strategic oversight.

Employee Category	Below 30 Years	30 to 50 Years	Above 50 Years
Management	0 (0%)	0 (0%)	3 (100%)
Executive	1 (4%)	17 (63%)	9 (33%)
Non-Executive	121 (29%)	262 (63%)	34 (8%)
General Worker	3 (14%)	3 (14%)	15 (71%)

6.2.3 Race & Ethnicity (National & Migrant Workforce)

As a high-volume furniture exporter, SHH relies heavily on a dedicated migrant workforce to sustain our production lines.

Because we rely so heavily on migrant labor, safeguarding human rights, ensuring ethical recruitment, and providing quality worker quarters are top priorities for the Group. For our local Malaysian talent pool, we maintain a diverse multi-ethnic composition reflective of our local community in Johor.

As at the end of FY2026, SHH had a total workforce of **468 employees.** Based on the Group's workforce classification, the composition was as follows:

- **Malay:** 90 Employees (19%)
- **Chinese:** 35 Employees (7%)
- **Indian:** 6 Employees (1%)
- **Others:** 337 Employees (72%)

6.3 Board of Directors Diversity

In FY2026, we successfully maintained our commitment to gender diversity at the highest level of leadership. Women comprise 33% of our Board, successfully meeting the internationally recognized 30% Club target for female board representation. Furthermore, 67% of our Board members are within the 30 to 50 age bracket, ensuring our strategic direction is guided by highly active, modern corporate leaders.

Board of Directors Breakdown (FY2026):

- **Total Board Size:** 6 Directors
- **Gender:** 4 Male (67%) / 2 Female (33%)
- **Age Profile:** 4 Directors aged 30-50 (67%) / 2 Directors above 50 (33%)

6.0 SOCIAL RESPONSIBILITY & HUMAN CAPITAL (S) (cont'd)

6.4 Employee Training, Upskilling & Capacity Building

At SHH Resources Holdings Berhad, continuous human capital development is a central pillar of our social responsibility strategy. The wooden furniture manufacturing and export industry is evolving rapidly driven by automation, strict global ESG compliance standards, and tightening domestic regulatory frameworks. To maintain our competitive edge and ensure workplace safety, we invest systematically in capacity building. We ensure that every tier of our workforce, from the factory floor operators to our senior management, is equipped with the necessary skills to operate safely, efficiently, and ethically.

6.4.1 Three-Year Training Performance Analysis

We meticulously track our training hours and participation rates to guarantee that upskilling opportunities are distributed equitably across the organization.

Over the past three financial years, SHH has logged a cumulative 6,414 training hours. A review of our data shows a strategic evolution in our training focus—moving from broad awareness to highly specialized, technical execution.

Table 1: Total Training Hours by Employee Category (FY2024 - FY2026)

Employee Category	FY 2024	FY 2025	FY 2026	Total Hours (3 Years)
Management	50	112	67	229
Executive	721	1,889	784	3,394
Non-Executive	132	1,557	284	1,973
General Worker	349	217	252	818
Total Corporate Hours	1,252	3,775	1,387	6,414

Table 2: Total Participants by Employee Category (FY2024 - FY2026)

Employee Category	FY 2024	FY 2025	FY 2026
Management	9	14	9
Executive	109	195	100
Non-Executive	22	163	33
General Worker	205	21	36
Total Participants	345	393	178

6.0 SOCIAL RESPONSIBILITY & HUMAN CAPITAL (S) (cont'd)

6.4 Employee Training, Upskilling & Capacity Building

6.4.2 Strategic Training Themes and Interventions

Our year-over-year training modules are not selected at random; they are directly aligned with our corporate risk assessments, regulatory timelines, and market demands.

- **FY2024 (Foundational Awareness & Governance):**
  During FY2024, SHH recorded 1,252 total training hours. Training focused on developing foundational capabilities in digital transformation, corporate governance, sustainability and regulatory compliance. Key programmes included AI Transforms SMEs, Cyber Attack Awareness, ESG for Directors, and training relating to the Malaysian Anti-Corruption Commission (MACC) Section 17A.

- **FY2025 (Occupational Safety & Ground-Level Upskilling):**
  FY2025 recorded the highest training investment during the three-year period, with 3,775 total training hours. Training placed significant emphasis on occupational safety, technical capability and regulatory readiness. Key programmes included OSHA 1994 Amendments, Hazard Identification, Risk Assessment and Risk Control (HIRARC), Safe Forklift Operations, Fire Extinguisher & Safety training and E-Invoicing-related programmes.

- **FY2026 (Specialized Compliance & Market Readiness):**
  In FY2026, SHH recorded 1,387 total training hours, with training focused on sustainability, compliance, digital capability and workplace safety. Key programmes included AI Powered Content Creation for Design & Marketing (Furniture Design), Mastering ESG Data Collection, ESG and TCFD Masterclasses, Working Safely at Height, Fire Extinguisher Training, and Anti-Bribery and Anti-Corruption training.

By maintaining this structured, data-driven approach to human capital, SHH ensures that our workforce remains agile, compliant, and highly capable of executing our long-term business objectives.

6.5 Occupational Health and Safety (OHS)

In the heavy manufacturing and timber processing industry, the physical safety of our workforce is paramount. Operating heavy milling machinery, cutting lines, and navigating forklift logistics inherently carry industrial risks. At SHH, our absolute priority is ensuring that every worker returns home safely. Our occupational health and safety frameworks are designed not merely for compliance, but to cultivate a proactive safety-first culture across all our factory floors in Pagoh, Muar.

6.5.1 Incident Performance & Safety Metrics (FY2024 - FY2026)

SHH continues to monitor occupational health and safety performance as part of its commitment to maintaining a safe and responsible working environment.

Across FY2024 to FY2026, the Group maintained zero work-related fatalities. The total number of workplace incidents improved to 4 incidents in FY2026, compared with 5 incidents in each of FY2024 and FY2025. Of the incidents recorded in FY2026, one was classified as a serious injury and three as minor injuries.

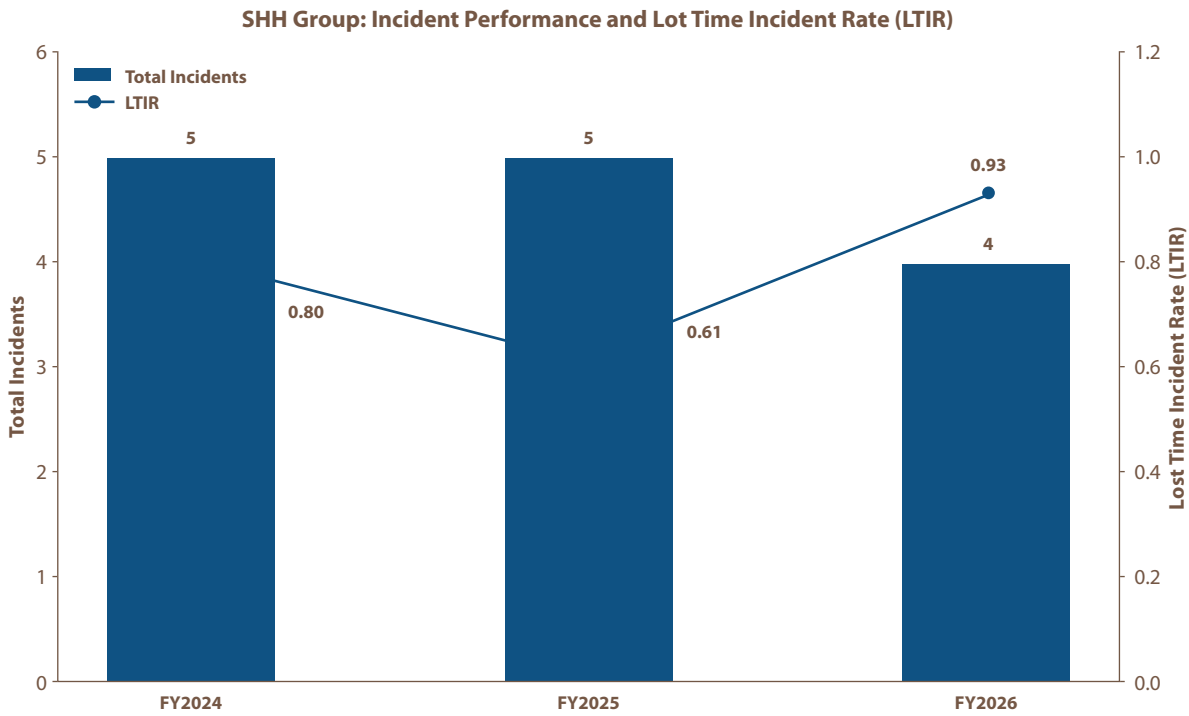
6.0 SOCIAL RESPONSIBILITY & HUMAN CAPITAL (S) (cont'd)

6.5 Occupational Health and Safety (OHS) (cont'd)

6.5.1 Incident Performance & Safety Metrics (FY2024 - FY2026) (cont'd)

The Group's Lost Time Incident Rate ("LTIR") was 0.80 in FY2024, 0.61 in FY2025 and 0.93 in FY2026. SHH continues to strengthen its occupational health and safety practices through workplace monitoring, safety awareness, employee training and preventive measures.

Safety Metric	FY 2024	FY 2025	FY 2026
Bursa C5(a): Work-Related Fatalities	0	0	0
Bursa C5(b): Lost Time Incident Rate (LTIR)	0.80	0.61	0.93
Total Number of Incidents	5	5	4



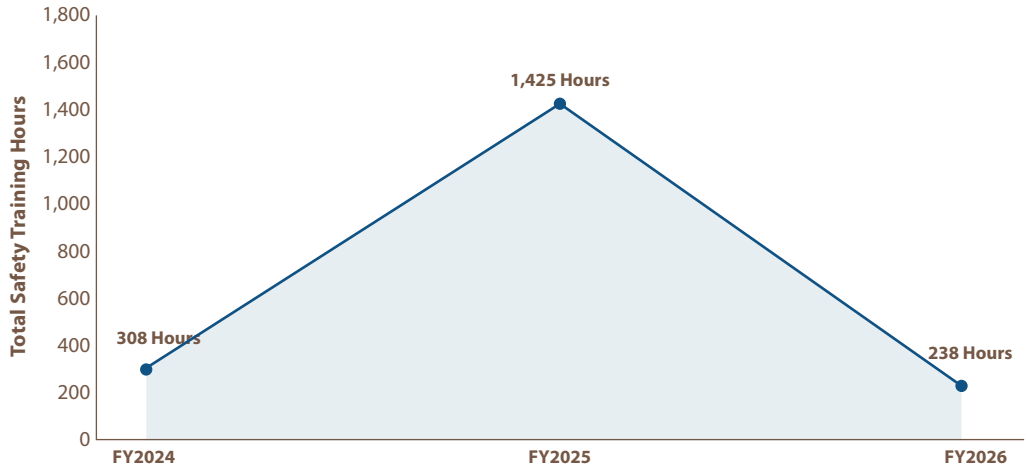
6.0 SOCIAL RESPONSIBILITY & HUMAN CAPITAL (S) (cont'd)

6.5 Occupational Health and Safety (OHS) (cont'd)

6.5.2 Safety Training & Capacity Building

There is a direct correlation between specialized safety training and incident mitigation. To address operational hazards, SHH deploys a robust matrix of specialized safety training modules focusing on high-risk activities such as chemical handling, forklift operations, and scheduled waste management.

SHH Resources Holdings Berhad: 3-Year Safety Training Performance



Three-Year Safety Training Performance

Financial Year	Total Safety Training Hours	Total Participants	Core Focus Areas
FY 2024	308	44	Chemical handling, basic First Aid/CPR, and environmental compliance.
FY 2025	1,425	123	Massive scale-up in OSHA 1994 compliance, HIRARC (Hazard Identification), and intensive OSH Coordinator workshops.
FY 2026	238	34	Highly targeted interventions including Working Safely at Height and localized fire safety drills.

FY2025 recorded the highest safety training investment during the three-year period, with 1,425 training hours and 123 training attendances. In FY2026, SHH recorded 238 safety training hours and 34 training attendances, with programmes focused on targeted workplace safety requirements.

7.0 CORPORATE GOVERNANCE & INTEGRITY (G)

7.1 Business Ethics and Anti-Bribery & Anti-Corruption (ABAC)

SHH maintains a strict zero-tolerance stance against all forms of bribery, corruption, extortion, and money laundering. Our Anti-Bribery and Anti-Corruption (ABAC) Policy governs all business dealings across our corporate headquarters, production units, and subsidiaries.

- Risk Assessment: 100% of the Group's operational sites are assessed annually for corruption risks.
- Incidents Reported: In FY2026, there were 0 confirmed incidents of corruption or regulatory disciplinary actions (maintaining a 3-year record of zero violations).
- Employee Anti-Corruption Training: Dedicated anti-corruption training sessions were conducted during the financial year, covering 33.3% of Management, 51.8% of Executives, and 0.2% of Non-Executive personnel.

7.2 Whistleblowing Policy and Channels

To reinforce an open and accountable corporate culture, SHH maintains an independent Whistleblowing Policy. This framework empowers internal employees and external stakeholders to report improper conduct, illegal activities, or policy breaches without fear of retaliation, victimization, or discrimination.

- Reporting Channels: Whistleblowers can submit reports via email or written formal letters addressed directly to the Senior Independent Director or to the Company Secretary.
- FY2026 Grievance Record: The Group received zero (0) whistleblowing complaints during the reporting period.

7.3 Responsible Supply Chain Governance

Our operational resilience depends on an ethical and transparent supply chain. SHH enforces a comprehensive Supplier Code of Conduct requiring all vendor network partners to strictly comply with local labor laws, safety requirements. Furthermore, the Group actively supports domestic supply chains, allocating 88% of total procurement expenditures to local vendors.

7.4 Data Privacy, Cybersecurity, and Intellectual Property Protection

Protecting proprietary customer blueprints, commercial design IP, and personal data is critical for our international export relationships. SHH enforces robust IT access controls, digital security firewalls, and regular employee cyber-awareness briefings.

- FY2026 Data Privacy Record: Zero (0) substantiated complaints were received regarding customer data breaches, leaks, or losses of customer privacy.

7.5 Legal and Regulatory Compliance

SHH complies strictly with all applicable laws and regulatory statutory bodies, including the Malaysian Timber Industry Board (MTIB), the Department of Environment (DOE), the Department of Occupational Safety and Health (DOSH/JKKP), and Bursa Malaysia Listing Requirements.

- Human Rights Performance: Zero (0) human rights violation complaints were lodged across our local and foreign workforce in FY2026.

8.0 PERFORMANCE DATA & APPENDICES

8.1 Quantitative Performance Data Tables (3-Year ESG Baseline)

Performance Indicator	Measurement Unit	FY2024	FY2025	FY2026
ENVIRONMENTAL PERFORMANCE				
Direct GHG Emissions (Scope 1)	tCO_2e	134.75	117.60	107.14
Indirect Electricity Emissions (Scope 2)	tCO_2e	3,475.52	3,646.66	2,777.04
Value Chain Emissions: Business Travel (Scope 3)	tCO_2e	N/A	N/A	3.30
Value Chain Emissions: Employee Commuting (Scope 3)	tCO_2e	N/A	N/A	110.37
Total Grid Electricity Consumed	kWh	4,585,110	4,810,900	3,752,762
Municipal Water Consumption	m^3	94,180	97,630	74,946
Scheduled Hazardous Waste Generated	Metric Tonnes	N/A	N/A	80.04
Non-Hazardous Waste Diverted/ Recycled	Metric Tonnes	N/A	N/A	656.92
SOCIAL PERFORMANCE				
Total Active Workforce (End of Year)	Headcount	N/A	683	468
Female Employees (% Total Workforce)	Percentage	N/A	11.1%	14.5%
Female Representation in Executive Tier	Percentage	N/A	60.6%	66.7%
Female Board Directors (% Board)	Percentage	56.0%	42.9%	33.3%
Total Employee Upskilling Hours	Hours	1,251.5	3,775.0	1,387.0
Total Safety Training Hours	Hours	308.0	1,425.0	238.0
Work-Related Fatalities	Number	0	0	0
Lost Time Incident Rate (LTIR)	Rate	0.80	0.61	0.93
GOVERNANCE PERFORMANCE				
Operations Assessed for Corruption Risks	Percentage	100%	100%	100%
Confirmed Incidents of Corruption	Number	0	0	0
Human Rights Violation Complaints	Number	0	0	0
Customer Privacy Data Breaches	Number	0	0	0

8.0 PERFORMANCE DATA & APPENDICES (cont'd)

8.2 Bursa Malaysia Common Sustainability Indicators Index

Bursa Indicator	Indicator Name	Reporting Section	FY2026 Disclosed Metric
C1(a)	Anti-Corruption Employee Training %	Section 7.1	Management: 33.3% | Executive: 51.8% | Non-Exec: 0.2%
C1(b)	Operations Assessed for Corruption Risk	Section 7.1	100% of operations assessed
C1(c)	Confirmed Incidents of Corruption	Section 7.1	0 confirmed cases
C2(a)	Scope 1 GHG Emissions	Section 5.2.3	107.14 tCO_2e
C2(b)	Scope 2 GHG Emissions	Section 5.2.4	2,777.04 tCO_2e
C2(c)	Scope 3 GHG Emissions	Section 5.2.5	113.67 tCO_2e (Business Travel & Commuting)
C3(a)	Total Energy Consumption	Section 5.3.1	3,752,762 kWh (3,752.76 MWh)
C4(a)	Total Water Consumption	Section 5.5.1	74,946 m^3 (74.95 Megalitres)
C5(a)	Work-Related Fatalities	Section 6.5.1	0 fatality
C5(b)	Lost Time Incident Rate (LTIR)	Section 6.5.1	0.93
C6(a)	Total Employee Training Hours	Section 6.4.1	1,387 Hours
C7(a)	Board Diversity (Gender)	Section 6.3	33.3% Female (2/6 Directors)
C8(a)	Percentage of Local Procurement Spend	Section 7.3	88.0% Local Spend
C9(a)	Customer Data Privacy Complaints	Section 7.4	0 breaches/complaints

8.3 GRI Content Index (GRI Standards Alignment)

GRI Standard	Disclosure Description	Section Reference
GRI 2: General Disclosures	2-1 Organizational details	Section 2.3
	2-6 Activities, value chain and business relationships	Section 1.1, 2.3
	2-9 Governance structure and composition	Section 3.1, 6.3
	2-29 Approach to stakeholder engagement	Section 4.1
GRI 3: Material Topics	3-1 Process to determine material topics	Section 4.2
	3-2 List of material topics	Section 4.3, 4.4
GRI 205: Anti-corruption	205-2 Communication and training about anti-corruption	Section 7.1
	205-3 Confirmed incidents of corruption and actions taken	Section 7.1
GRI 302: Energy	302-1 Energy consumption within the organization	Section 5.3.1
GRI 303: Water & Effluents	303-5 Water consumption	Section 5.5.1
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	Section 5.2.3
	305-2 Energy indirect (Scope 2) GHG emissions	Section 5.2.4
	305-3 Other indirect (Scope 3) GHG emissions	Section 5.2.5
GRI 306: Waste	306-3 Waste generated	Section 5.4.1, 5.4.2
GRI 403: Occupational Health & Safety	403-9 Work-related injuries	Section 6.5.1
GRI 404: Training & Education	404-1 Average hours of training per year per employee	Section 6.4.1
GRI 405: Diversity & Equal Opportunity	405-1 Diversity of governance bodies and employees	Section 6.2, 6.3

8.0 PERFORMANCE DATA & APPENDICES (cont'd)

8.4 Independent Assurance Statement

For the FY2026 reporting cycle, SHH Resources Holdings Berhad has performed internal verification and management audits across all quantitative environmental, social, and governance datasets. The raw operational data (electricity, fuel, water, waste logs, HR metrics, safety records) were verified by designated Persons-in-Charge (PICs) and reviewed by the Sustainability Working Committee. The Group continues to evaluate third-party independent external assurance for future reporting cycles as ISSB IFRS S1 and S2 standards phase into full enforcement.

8.5 Glossary of Terms and Abbreviations

- ABAC: Anti-Bribery and Anti-Corruption
- Bursa Malaysia: Bursa Malaysia Securities Berhad
- CoC: Chain of Custody
- DOE: Department of Environment, Malaysia
- DOSH / JKKP: Department of Occupational Safety and Health (Jabatan Keselamatan dan Kesihatan Pekerjaan)
- ESG: Environmental, Social, and Governance
- FSC: Forest Stewardship Council
- GHG: Greenhouse Gas
- GRI: Global Reporting Initiative
- GWP: Global Warming Potential
- HIRARC: Hazard Identification, Risk Assessment and Risk Control
- ISSB: International Sustainability Standards Board
- LTIR: Lost Time Incident Rate
- MTCS: Malaysian Timber Certification Scheme
- MTIB: Malaysian Timber Industry Board
- OHS: Occupational Health and Safety
- PEFC: Programme for the Endorsement of Forest Certification
- Scope 1: Direct GHG emissions from operations (fleet combustion, fugitive refrigerant gases)
- Scope 2: Indirect GHG emissions from purchased grid electricity
- Scope 3: Value-chain emissions (business travel, employee commuting)
- TCFD: Task Force on Climate-related Financial Disclosures
- tCO2e: Tonnes of Carbon Dioxide Equivalent

SHH RESOURCES HOLDINGS BERHAD

BMLR Transition Period

Date & Time: 2026-10-20_21:52:39

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Climate Management	Direct GHG Emissions (Scope 1)	tCO2e	11760	10714	-	No assurance
Climate Management	Indirect Electricity Emissions (Scope 2)	tCO2e	3,646.66	2,777.04	-	No assurance
Climate Management	Value Chain Emissions: Business Travel (Scope 3)	tCO2e	-	3.30	-	No assurance
Climate Management	Value Chain Emissions: Employee Commuting (Scope 3)	tCO2e	-	110.37	-	No assurance
Energy Management	Total Grid Electricity Consumed	kWh	4,810,900	3,752,762	-	No assurance
Water Management	Municipal Water Consumption	m3	97,630	74,946	-	No assurance
Waste Management	Scheduled Hazardous Waste Generated	Metric Tonnes	-	80.04	-	No assurance
Waste Management	Non-Hazardous Waste Diverted/Recycled	Metric Tonnes	-	656.92	-	No assurance
Board Diversity	Board Composition - Male	Percentage	57	67	-	No assurance
Board Diversity	Board Composition - Female	Percentage	43	33	-	No assurance
Board Diversity	Board Composition - 30 to 50 Years	Percentage	43	67	-	No assurance
Board Diversity	Board Composition - Above 50 Years	Percentage	57	33	-	No assurance
Talent Management	Total Active Workforce (End of Year)	Number	683	468	-	No assurance
Employee Diversity	Management - Male	Percentage	100	100	-	No assurance
Employee Diversity	Management - Female	Percentage	0	0	-	No assurance

SHH RESOURCES HOLDINGS BERHAD

BMLR Transition Period

Date & Time: 2026-10-20_21:52:39

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Employee Diversity	Executive - Male	Percentage	43	33	-	No assurance
Employee Diversity	Executive - Female	Percentage	57	67	-	No assurance
Employee Diversity	Non-Executive - Male	Percentage	91	88	-	No assurance
Employee Diversity	Non-Executive - Female	Percentage	9	12	-	No assurance
Employee Diversity	General Worker - Male	Percentage	82	90	-	No assurance
Employee Diversity	General Worker - Female	Percentage	18	10	-	No assurance
Employee Diversity	Management - Below 30 Years	Percentage	-	0	-	No assurance
Employee Diversity	Management - 30 to 50 Years	Percentage	-	0	-	No assurance
Employee Diversity	Management - Above 50 Years	Percentage	100	100	-	No assurance
Employee Diversity	Executive - Below 30 Years	Percentage	6	4	-	No assurance
Employee Diversity	Executive - 30 to 50 Years	Percentage	77	63	-	No assurance
Employee Diversity	Executive - Above 50 Years	Percentage	17	33	-	No assurance
Employee Diversity	Non-Executive - Below 30 Years	Percentage	35	29	-	No assurance
Employee Diversity	Non-Executive - 30 to 50 Years	Percentage	55	63	-	No assurance
Employee Diversity	Non-Executive - Above 50 Years	Percentage	10	8	-	No assurance
Employee Diversity	General Worker - Below 30 Years	Percentage	27	14	-	No assurance
Employee Diversity	General Worker - 30 to 50 Years	Percentage	36	14	-	No assurance

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SHH RESOURCES HOLDINGS BERHAD

BMLR Transition Period

Date & Time: 2026-10-20_21:52:39

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Employee Diversity	General Worker - Above 50 Years	Percentage	37	71	-	No assurance
Employee Diversity	Ethnic diversity - Malay Employees	Percentage	16	19	-	No assurance
Employee Diversity	Ethnic diversity - Chinese Employees	Percentage	8	7	-	No assurance
Employee Diversity	Ethnic diversity - Indian Employees	Percentage	1	1	-	No assurance
Employee Diversity	Ethnic diversity - Others	Percentage	75	72	-	No assurance
Talent Development	Total Training Hours - Management	Hourss	112	67	-	No assurance
Talent Development	Total Training Hours - Executive	Hours	1,889	784	-	No assurance
Talent Development	Total Training Hours - Non-Executive	Hours	1,557	284	-	No assurance
Talent Development	Total Training Hours - General Worker	Hours	217	252	-	No assurance
Talent Development	Total Participants - Management	Number	14	9	-	No assurance
Talent Development	Total Participants - Executive	Number	195	100	-	No assurance
Talent Development	Total Participants - Non-Executive	Number	163	33	-	No assurance
Talent Development	Total Participants - General Worker	Number	21	36	-	No assurance
Occupational Safety and Health	Number of work-related fatalities	Number	0	0	-	No assurance
Occupational Safety and Health	Lost Time Incident Rate	Rate	0.61	0.93	-	No assurance

SHH RESOURCES HOLDINGS BERHAD

BMLR Transition Period

Date & Time: 2026-10-20_21:52:39

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Occupational Safety and Health	Total Number of Incidents	Number	5	4	-	No assurance
Occupational Safety and Health	Total Safety Training Hours	Hours	1,425	238	-	No assurance
Occupational Safety and Health	Total Safety Training Participants	Number	123	34	-	No assurance
Ethics, Anti-Bribery & Anti-Corruption	Confirmed incidents of corruption and action taken	Number	0	0	-	No assurance
Ethics, Anti-Bribery & Anti-Corruption	Anti-Bribery Anti-Corruption Risk Assessments Conducted	Percentage	100	100	-	No assurance
Ethics, Anti-Bribery & Anti-Corruption	Employees Trained on Anti-Bribery Anti-Corruption - Management	Percentage	100	33.3	-	No assurance
Ethics, Anti-Bribery & Anti-Corruption	Employees Trained on Anti-Bribery Anti-Corruption - Executives	Percentage	54	51.8	-	No assurance
Ethics, Anti-Bribery & Anti-Corruption	Employees Trained on Anti-Bribery Anti-Corruption - Non-Executive	Percentage	4	0.2	-	No assurance
Human Rights & Supply Chain Labour Standards	Local Supplier Composition	Percentage	88	88	-	No assurance
Human Rights & Supply Chain Labour Standards	International Supplier Composition	Percentage	12	12	-	No assurance
Ethics, Anti-Bribery & Anti-Corruption	Substantiated Complaints Concerning Data Privacy, Cybersecurity, and Intellectual Property Protection	Number	0	0	-	No assurance

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DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

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

(A) Group Total Income and Total Assets

		Group	
	Remarks	2026 RM	2025 RM
Revenue		53,804,498	75,258,901
Other income		1,434,760	1,986,459
Total		55,239,258	77,245,360
Total Assets		84,575,322	95,731,847

(B) Business Activities

		Group	
Shariah Non-Compliant Activities	**Remarks**	**2026 RM**	**2025 RM**
Interest income		136,306	242,705
Total		136,306	242,705

(C) Component of Financial Position

(i) Cash Component

		Group	
Islamic Account/Instruments	**Remarks**	**2026 RM**	**2025 RM**
Cash in hand		22,812	18,757
Deposits with licensed bank		9,000,000	11,500,000
Total		9,022,812	11,518,757
Conventional Account/Instruments			
Cash at bank (exclude cash in hand)		8,190,055	8,624,650
Deposits with licensed bank		2,000,000	3,000,000
Total		10,190,055	11,624,650

(ii) Debt Component

		Group	
Islamic Financing	**Remarks**	**2026 RM**	**2025 RM**
Current			
Banker's Acceptances		495,989	592,890
Non-Current	N/A	-	-
Total		495,989	592,890
Conventional Borrowing			
Current			
Bank Overdrafts		-	251,955
Banker's Acceptances		3,132,000	3,692,000
Non-Current	N/A	-	-
Total		3,132,000	3,943,955

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DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors have pleasure in presenting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2026.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are set out in Note 15 to the financial statements.

FINANCIAL RESULTS

	Group RM	Company RM
Loss for the financial year attributable to:		
Owners of the Company	6,204,890	1,056,274

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year except as disclosed in the financial statements.

DIVIDEND

No dividend has been paid, declared or proposed since the end of the previous financial year. The Directors do not recommend any dividends for the current financial year ended 30 June 2026.

DIRECTORS

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

Grace Khoo Ting Ting *
Lew Khim Khim *
Marissa Lee Sher May
Tan Chin Kiat
Aminuddin Bin Mohd Arif (Appointed on 15 June 2026)
Chong Seng Yau (Appointed on 18 June 2026)
Dr. Nazry Bin Yahya * (Appointed on 7 July 2026)
Wong Wen Miin (Resigned on 15 June 2026)
Stephen Low Chee Weng (Resigned on 18 June 2026)
Dato' Haji Obet bin Tawil * (Resigned on 30 June 2026)

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

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the Directors of subsidiaries during the financial year and up to the date of this report, who are not also the Directors of the Company, are as follows:

Dato' Tan Kuan Hai
Patrick Lim Seng Chye

DIRECTORS' INTERESTS IN SHARES

The holdings and deemed holdings in the ordinary shares of the Company and its related corporations (other than wholly-owned subsidiaries) of those who were Directors at the end of the financial year, as recorded in the Register of Directors' Shareholding kept under Section 59 of the Companies Act 2016 in Malaysia are as follows:

	Number of ordinary shares			
Indirect interest:	**At 1.7.2025**	**Bought**	**Sold**	**At 30.6.2026**
Lew Khim Khim *	28,500,400	-	(5,000,000)	23,500,400

* Interest by virtue of shares held in SX Capital Sdn. Bhd.

By virtue of Lew Khim Khim's deemed interest in the ordinary shares of the Company, he is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests in accordance with Section 8 of the Companies Act 2016.

None of the other Directors holding office at the end of the financial year had any interest in the ordinary shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as disclosed in the financial statements or the fixed salary of a full-time employee of the Company or related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 25 to the financial statements.

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

DIRECTORS' REMUNERATION

The remuneration paid to or receivable by the Directors of the Group and of the Company during the financial year amounted to RM1,338,941 and RM629,616 respectively.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains indemnity insurance for the Directors of the Company for a period of twelve (12) months starting from 1 February 2026, which provides appropriate insurance cover in accordance with Section 289 of the Companies Act 2016. The total insured limit for the Directors Liability Insurance is RM10,000,000 per occurrence and in the aggregate. The amount of insurance premium paid by the Company for the financial year ended 30 June 2026 was RM17,500.

There was no indemnity given to or liability insurance effected for any officer or auditor of the Group or of the Company during the financial year.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 15 to the financial statements.

ISSUES OF SHARES AND DEBENTURES

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

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 made out, the Directors took reasonable steps to ascertain that:

(i) all known bad debts had been written off and adequate allowance had been made for doubtful debts; and

(ii) any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to an amount which they might be expected so to realise.

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

(i) which would render it necessary to write off any bad debts, or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(iii) 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; or

(iv) not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements of the Group and of the Company misleading.

As at the date of this report, there does not exist:

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

(ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 30 June 2026 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of the financial year and the date of this report.

AUDITORS

The auditors, PKF PLT, have indicated their willingness to continue in office.

During the financial year, the total amount of fees paid to or receivable by the auditors as remuneration for their services as auditors of the Group and of the Company amounted to RM105,500 and RM28,000 respectively.

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

DR. NAZRY BIN YAHYA
Chairman

LEW KHIM KHIM
Director

Dated 16 October 2026

STATEMENT BY DIRECTORS

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

In the opinion of the Directors, the accompanying financial statements set out on pages 95 to 144 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 30 June 2026 and of their financial performance and cash flows for the financial year ended on that date.

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

DR. NAZRY BIN YAHYA
Chairman

LEW KHIM KHIM
Director

Dated 16 October 2026

STATUTORY DECLARATION

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

I, **PATRICK LIM SENG CHYE**, being the Chief Financial Officer primarily responsible for the financial management of **SHH RESOURCES HOLDINGS BERHAD**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 95 to 144 are in my opinion correct, to the best of my knowledge and belief, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960 in Malaysia.

Subscribed and solemnly declared by the)
abovenamed **PATRICK LIM SENG CHYE**)
at **MUAR** in the State of **JOHOR DARUL**)
TAKZIM on 16 October 2026)

PATRICK LIM SENG CHYE
MIA No. 14840

Before me,

Commissioner for Oaths
Tan Bee Ten
No. J208

INDEPENDENT AUDITORS' REPORT

to the members of SHH Resources Holdings Berhad

Registration No: 199401018548 (304227-U)
Incorporated in Malaysia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SHH RESOURCES HOLDINGS BERHAD, which comprise the statements of financial position as at 30 June 2026 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 95 to 144.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2026, and of their financial performance and their cash flows for the year then ended in accordance with 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key Audit Matters (cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report.

Area of focus – Group	How our audit addressed the key audit matter
Impairment assessment of property, plant and equipment and right-of-use asset Indications of impairment of property, plant and equipment ("PPE") and right-of-use asset ("ROU") are present in certain subsidiaries of the Group due to loss making operations, sustained losses or cessation of business operations. Accordingly, the Group has performed impairment assessments on the PPE and ROU of these subsidiaries. The Group has engaged independent valuers to determine the recoverable amounts of the PPE and ROU of subsidiaries exhibiting impairment indicators. These independent valuers use industry/market accepted valuation methodology and approaches to determine the fair value of the underlying asset. Due to the measurement of fair value being inherently judgemental and the carrying value of these assets being material to the Group, we have considered this to be a key audit matter.	Our audit procedures included, among others: • Obtaining the valuation reports prepared by the independent valuers engaged by the Group; • Reviewing these reports for appropriateness of the methodology used and the reasonableness of the assumptions used; and • Assessing the competency, capabilities and objectivity of these independent valuers engaged by the Group.
Valuation of inventories – land held for development The Group's inventories of land held for development amounted to RM11,263,458, representing approximately 13% of total assets of the Group. These inventories are measured at the lower of cost and net realisable value. In determining the net realisable value of the land held for development, the Group has engaged independent valuers to estimate the market value of the underlying land using industry and market accepted valuation methodologies and approaches. The Group has also considered the estimated costs necessary to make the sale in deriving the net realisable value. Due to the measurement of net realisable value being inherently judgemental and the carrying value of the land being material to the Group, we have considered this to be a key audit matter.	Our audit procedures included, among others: • Obtaining an understanding of management's intention and plans for the land held for development and assessing whether the basis used in determining the net realisable value is consistent with the intended manner of realisation; • Obtaining the valuation report prepared by the independent valuers engaged by the Group; • Reviewing the valuation report for appropriateness of the methodology used and the reasonableness of the assumptions used; • Assessing the competency, capabilities and objectivity of the independent valuers engaged by the Group; and • Assessing the resulting net realisable value, including the estimated costs necessary to make the sale, and comparing the net realisable value with the carrying amount of the land held for development.

Key Audit Matters (cont'd)

Area of focus – Group	How our audit addressed the key audit matter
Valuation of wooden furniture inventories As at 30 June 2026, the Group's wooden furniture inventories amounted to RM15,164,465, representing approximately 18% of the Group's total assets. The inventories comprise raw materials, work-in-progress and finished goods and are measured at the lower of cost and net realisable value. The cost of work-in-progress and finished goods includes the costs of raw materials, direct labour and an allocation of fixed and variable production overheads incurred in converting the inventories and bringing them to their present location and condition. The determination of inventory cost requires management to exercise judgement in allocating labour and production overheads to individual products and in determining the normal production capacity used in allocating fixed production overheads. Changes in production volumes, product specifications, manufacturing processes and the level of unutilised production capacity may affect the amount of costs allocated to inventories. Management is also required to estimate the net realisable value of inventories by considering, among other matters, expected selling prices, estimated costs necessary to complete production and make the sale, inventory ageing, subsequent sales and the condition and marketability of slow-moving or obsolete inventories. We considered the valuation of wooden furniture inventories to be a key audit matter because of the materiality of the balance, the complexity of the product-costing process, and the significant judgements and estimation uncertainty involved in the allocation of production overheads and the assessment of net realisable value.	Our audit procedures included, among others: • Obtaining an understanding of the Group's production processes, inventory costing methodology and relevant controls; • Evaluating the appropriateness and consistency of the Group's inventory costing policies, including the allocation of fixed and variable production overheads and other production costs, in accordance with MFRS 102 Inventories; • Testing the costing of raw materials, work-in-progress and finished goods on a sample basis by agreeing costs to relevant supporting documents and production records; • Assessing the reasonableness of the normal production capacity used for allocating fixed production overheads by considering production levels in prior periods and significant fluctuations; • Assessing slow-moving and potentially obsolete inventories by reviewing inventory ageing, movement and condition, and testing the net realisable value of selected inventories against subsequent sales and estimated costs to complete and sell; and • Performing analytical procedures over inventory quantities, costs, turnover and margins, and assessing the adequacy of the related disclosures in the financial statements.

There are no key audit matters to be communicated in respect of the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

(i) 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.

(ii) 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.

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

(iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(iv) 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.

(v) 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.

(vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Other Matters

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

PKF PLT
202206000012 (LLP0030836-LCA) & AF0911
CHARTERED ACCOUNTANTS

CHAU MAN KIT
02525/03/2028 J
CHARTERED ACCOUNTANT

Kuala Lumpur

Dated 16 October 2026

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

		Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
	NOTE				
Revenue	5	53,804,498	75,258,901	-	1,020,000
Cost of sales		(51,524,257)	(65,294,372)	-	-
Gross profit		2,280,241	9,964,529	-	1,020,000
Other operating income	6	1,434,760	1,986,459	-	-
Selling and distribution costs		(2,583,075)	(3,048,942)	-	-
Administrative expenses		(7,915,955)	(9,502,334)	(1,056,274)	(1,933,626)
Loss from operations	9	(6,784,029)	(600,288)	(1,056,274)	(913,626)
Finance costs	10	(164,519)	(212,447)	-	-
Share of profit in an associate company (Net of tax)		-	56,496	-	-
Loss before taxation		(6,948,548)	(756,239)	(1,056,274)	(913,626)
Income tax expense	11	743,658	(388,518)	-	-
Loss for the financial year/ Total comprehensive loss for the financial year		(6,204,890)	(1,144,757)	(1,056,274)	(913,626)
Loss/Total comprehensive loss attributable to:					
Owners of the Company		(6,204,890)	(1,144,757)	(1,056,274)	(913,626)
Loss per share attributable to owners of the Company (sen per share)					
Basic and diluted	12	(6.21)	(1.14)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2026

		Group		Company	
		2026	2025	2026	2025
ASSETS	**NOTE**	**RM**	**RM**	**RM**	**RM**
Non-current assets					
Property, plant and equipment	13	24,427,334	25,882,270	-	-
Right-of-use assets	14	9,406,948	9,633,615	-	-
Investments in subsidiaries	15	-	-	70,758,998	70,748,998
Inventories	16	11,263,458	11,263,458	-	-
		45,097,740	46,779,343	70,758,998	70,748,998
Current assets					
Inventories	16	15,164,465	20,181,499	-	-
Trade and other receivables	17	4,364,328	4,908,058	1,212,139	12,139
Tax recoverable		735,922	719,540	-	-
Cash and bank balances	18	19,212,867	23,143,407	83,015	184,874
		39,477,582	48,952,504	1,295,154	197,013
TOTAL ASSETS		84,575,322	95,731,847	72,054,152	70,946,011

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2026 (cont'd)

		Group		Company	
		2026	2025	2026	2025
EQUITY AND LIABILITIES	**NOTE**	**RM**	**RM**	**RM**	**RM**
Equity attributable to owners of the Company					
Share capital	19	49,997,500	49,997,500	49,997,500	49,997,500
Retained profits	20	24,382,595	30,587,485	13,744,785	14,801,059
Total equity		74,380,095	80,584,985	63,742,285	64,798,559
Non-current liabilities					
Loans and borrowings	21	52,824	119,292	-	-
Deferred tax liabilities	22	1,261,258	2,132,758	-	-
		1,314,082	2,252,050	-	-
Current liabilities					
Trade and other payables	23	5,162,228	8,270,583	8,311,867	6,147,452
Loans and borrowings	21	3,694,457	4,599,048	-	-
Taxation		24,460	25,181	-	-
		8,881,145	12,894,812	8,311,867	6,147,452
Total liabilities		10,195,227	15,146,862	8,311,867	6,147,452
TOTAL EQUITY AND LIABILITIES		84,575,322	95,731,847	72,054,152	70,946,011

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

		← Attributable to owners of the Company →		
		← Non-distributable →	←Distributable→	
Group	**Note**	**Share capital RM**	**Retained profits RM**	**Total Equity RM**
At 1 July 2024		49,997,500	32,732,192	82,729,692
Loss for the financial year/Total comprehensive loss for the financial year		-	(1,144,757)	(1,144,757)
Transactions with owners of the Company - Dividend on ordinary shares	24	-	(999,950)	(999,950)
At 30 June 2025		49,997,500	30,587,485	80,584,985
Loss for the financial year/Total comprehensive loss for the financial year		-	(6,204,890)	(6,204,890)
At 30 June 2026		49,997,500	24,382,595	74,380,095

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

		← Attributable to owners of the Company →		
		← Non-distributable →	←Distributable→	
Company	**Note**	**Share capital RM**	**Retained profits RM**	**Total Equity RM**
At 1 July 2024		49,997,500	16,714,635	66,712,135
Loss for the financial year/Total comprehensive loss for the financial year		-	(913,626)	(913,626)
Transactions with owners of the Company - Dividend on ordinary shares	24	-	(999,950)	(999,950)
At 30 June 2025		49,997,500	14,801,059	64,798,559
Loss for the financial year/Total comprehensive loss for the financial year		-	(1,056,274)	(1,056,274)
At 30 June 2026		49,997,500	13,744,785	63,742,285

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

		Group		Company	
		2026	2025	2026	2025
Cash flows from operating activities	**Note**	**RM**	**RM**	**RM**	**RM**
Loss before taxation		(6,948,548)	(756,239)	(1,056,274)	(913,626)
Adjustments for:					
Depreciation of property, plant and equipment		2,025,432	2,067,313	-	-
Depreciation of right-of-use assets		226,667	180,071	-	-
Dividend income		-	-	-	(1,020,000)
Gain on bargain purchase		-	(344,417)	-	-
Gain on disposal of property, plant and equipment		(12,000)	(11,101)	-	-
Gain on remeasurement of previously held equity interest		-	(679,465)	-	-
Gain on termination of lease liability		-	(3,963)	-	-
Interest expenses		164,519	212,447	-	-
Interest income		(503,673)	(613,965)	-	-
Investment deposit forfeited		-	750,000	-	750,000
Property, plant and equipment written off		228	1	-	-
Share of profit in an associate company		-	(56,496)	-	-
Unrealised (gain)/loss on foreign exchange		(81,434)	20,924	-	-
Operating (loss)/profit before working capital changes		(5,128,809)	765,110	(1,056,274)	(1,183,626)
Change in inventories		5,017,034	2,919,043	-	-
Change in receivables		652,040	149,018	-	(236)
Change in payables		(3,103,020)	(2,894,484)	(585)	(15,542)
Cash (used in)/from operations		(2,562,755)	938,687	(1,056,859)	(1,199,404)
Interest received		427,090	522,196	-	-
Interest paid		(164,519)	(212,447)	-	-
Tax paid		(482,817)	(1,510,540)	-	-
Tax refunded		337,872	184,511	-	-
Net cash used in operating activities		(2,445,129)	(77,593)	(1,056,859)	(1,199,404)

(forward)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

(continued)

	Note	Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
Cash flows from investing activities					
Acquisition of a subsidiary		-	(1,466,703)	-	-
Acquisition of property, plant and equipment		(570,724)	(268,122)	-	-
Advances to a subsidiary		-	-	(1,200,000)	-
Investment in a subsidiary		-	-	(10,000)	-
Liquidated expenses on an aborted investment		-	(750,000)	-	(750,000)
Dividend received		-	-	-	1,020,000
Proceeds from disposal of property, plant and equipment		12,000	11,101	-	-
Net cash (used in)/ from investing activities		(558,724)	(2,473,724)	(1,210,000)	270,000
Cash flows from financing activities					
Advances from a subsidiary		-	-	2,165,000	1,119,488
Dividend paid to equity holders of the Company		-	(999,950)	-	(999,950)
Net payment of bankers' acceptances		(656,901)	(1,424,164)	-	-
Repayment of lease liabilities		(62,203)	(30,596)	-	-
Net cash (used in)/ from financing activities		(719,104)	(2,454,710)	2,165,000	119,538
Net decrease in cash and cash equivalents		(3,722,957)	(5,006,027)	(101,859)	(809,866)
Effect of exchange rate fluctuations on cash held		44,372	(7,458)	-	-
Cash and cash equivalents at beginning of financial year		22,891,452	27,904,937	184,874	994,740
Cash and cash equivalents at end of financial year	18	19,212,867	22,891,452	83,015	184,874

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

(continued)

Reconciliation of liabilities arising from financing activities

Group

2026	1 July RM	Cash flows RM	Non-cash** RM	Arising from acquisition of subsidiary (Note 15) RM	30 June RM
Bankers' acceptances	4,284,890	(656,901)	-	-	3,627,989
Lease liabilities	181,495	(62,203)	-	-	119,292
	4,466,385	(719,104)	-	-	3,747,281
2025					
Bankers' acceptances	5,031,054	(1,424,164)	-	678,000	4,284,890
Lease liabilities	83,501	(30,596)	128,590	-	181,495
	5,114,555	(1,454,760)	128,590	678,000	4,466,385
Company					
2026					
Amount due to a subsidiary	6,062,810	2,165,000	-	-	8,227,810
2025					
Amount due to a subsidiary	4,943,322	1,119,488	-	-	6,062,810

** Included in non-cash changes of lease liabilities are non-cash acquisition and termination of lease liabilities amounting to RMNil and RMNil (2025: RM196,412 and RM67,822) respectively.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. GENERAL INFORMATION

The Company is a public limited liability company that is incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 15 to the financial statements.

The registered office and principal place of business of the Company are located at Lot 306, 3rd Floor, Tower 2, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia and PLO 1, Kawasan Perindustrian Pagoh, 84600 Pagoh, Muar, Johor Darul Takzim, Malaysia respectively.

These financial statements were authorised for issue by the Directors in accordance with a resolution of the Board of Directors dated 16 October 2026.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") issued by Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

(b) Basis of measurement

The material accounting policies adopted by the Group and the Company are consistent with those adopted in previous financial year unless otherwise stated.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies.

(c) Functional and presentation currency

The financial statements are prepared in Ringgit Malaysia (RM) which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(d) Adoption of new and revised MFRS

During the financial year, the Group and the Company have adopted the following amendments to standard issued by the MASB that are mandatory for current financial year:

- Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

The adoption of the amendments to standard did not have any significant impact on the financial statements of the Group and of the Company.

2. BASIS OF PREPARATION (CONT'D)

(e) Standards issued but not yet effective

Certain new accounting standards and interpretations have been issued but not yet effective for 30 June 2026 reporting periods and have not been early adopted by the Group and the Company. These standards are not expected to have a material impact on the financial statements of the Group and of the Company in the current or future reporting periods except for the changes in presentation and disclosures of financial information arising from the adoption of MFRS 18 Presentation and Disclosure in Financial Statements as discussed below:

The additional requirements of MFRS 18 are as follows:

(i) Statement of profit or loss and other comprehensive income

MFRS 18 introduces newly defined "operating profit or loss" and "profit or loss before financing and income tax" subtotal which are to be presented in the statement of profit or loss, while the net profit or loss remains unchanged.

Statement of profit or loss to be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

(ii) Statement of cash flows

The standard modifies the starting point for calculating cash flows from operations using the indirect method, shifting from "profit or loss" to "operating profit or loss". It also provides guidance on classification of interest and dividend in statement of cash flows.

(iii) New disclosures of expenses by nature

Entities are required to present expenses in the operating category by nature, function or a mix of both. MFRS 18 includes guidance for entities to assess and determine which approach is most appropriate based on the facts and circumstances.

(iv) Management-defined performance measures ("MPMs")

The standard requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to as MPMs. MPMs are required to be reconciled to the most similar specified subtotal in MFRS Accounting Standards.

(v) Enhanced guidance on aggregation and disaggregation

MFRS 18 provides enhanced guidance on grouping items based on shared characteristics and requires disaggregation when items have dissimilar characteristics or when such disaggregation is material.

The Group and the Company are currently assessing the impact of MFRS 18, particularly with respect to the structure of the statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group and the Company are also assessing the impact on aggregation and disaggregation on how information is grouped in the financial statements.

3. Significant accounting judgements and estimates

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgement, apart from those involving estimations, which could have a significant effect on the amounts recognised in the consolidated financial statements.

Operating segments

The segments disclosed in Note 30 to the financial statements have been determined by distinguishing the business activities from which the Group earns revenues and incurs expenses. The economic characteristics of the operating segments have been reviewed and operating segments have been grouped based on the reporting made to the chief operating decision maker.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Depreciation of property, plant and equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. The management estimates the useful lives of the property, plant and equipment to be within three (3) to fifty (50) years. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) 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 its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

3. Significant accounting judgements and estimates (cont'd)

(b) Key sources of estimation uncertainty (cont'd)

(iii) Impairment of property, plant and equipment and right-of-use assets

The Group reviews the carrying amount of property, plant and equipment and right-of-use assets at each reporting date to assess whether there is any indication of impairment. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal ("FVLCD") and its value in use ("VIU").

The Group estimates the recoverable amount of the cash-generating unit ("CGU") based on FVLCD. In estimating the recoverable amounts of FVLCD, the Directors relied on independent professional valuers.

(iv) Carrying value of investments in subsidiaries

Investment in subsidiaries are reviewed for impairment annually in accordance with its accounting policy as disclosed in Note 4(k)(ii) to the financial statements, or whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involves uncertainties and are significantly affected by assumptions and judgements made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the carrying value of investments in subsidiaries.

(v) Inventories valuation

Wooden furniture

The cost of work-in-progress and finished goods comprises raw materials, direct labour, other direct costs and an appropriate proportion of production overheads. Management analyses the types and complexities involved in production when determining the appropriate allocation of production overheads. Any under or over allocation of these overheads may affect the carrying amount of the inventories.

Land held for development

In determining the net realisable value of the land held for development, the Directors relied on independent professional valuers.

3. Significant accounting judgements and estimates (cont'd)

(b) Key sources of estimation uncertainty (cont'd)

(vi) Deferred tax assets and liabilities

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the statement of profit or loss and other comprehensive income in the period in which actual realisation and settlement occurs.

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax credits and unutilised tax losses to the extent that it is probable that taxable profit will be available against which these items can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of recognised and unrecognised deferred tax assets are disclosed in Note 22 to the financial statements.

Assumptions about generation of future taxable profits would depend on the achievability of projected profits and this requires judgement of the management. These assumptions and judgement are subject to risks and uncertainty, hence there is possibility that changes in circumstances will alter expectations, which may impact on the amount of deferred tax assets recognised.

(vii) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(viii) Leases

The measurement of the right-of-use asset and lease liability for leases where the Group is lessee requires the use of judgements and assumptions, such as lease term and incremental borrowing rate. In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

4. Material accounting policies

Certain immaterial accounting policies have been voluntarily disclosed to ensure completeness in the financial statements of the Group.

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

(ii) Business combinations

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

(iv) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit and loss and the comprehensive income for the financial year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so caused the non-controlling interests to have a deficit balance.

4. Material accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

(v) Transactions with non-controlling interests

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners.

On acquisition of non-controlling interests, the difference between the consideration and the Group' share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

(b) Foreign currencies

Functional and presentation currencies

The Group's consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency transactions

The principal closing rate used in translating the foreign currency amounts is as follows:

	2026 RM	2025 RM
United States Dollar ("USD")	4.08	4.21

(c) Revenue recognition

Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of discounts. The transaction price is allocated to each distinct good or service promised in the contract. Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be a point in time or over time.

(i) Sale of goods

Revenue from sale of goods is recognised net of discount and taxes at the point in time when control of the goods transfers to the customers. The transaction price is allocated to each performance obligation based on the standalone selling price of the goods. There is no element of financing present as the sale of goods is on credit terms of up to 90 days.

(ii) Dividend income

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

(iii) Other income

Revenue from other sources, specifically interest income is recognised on a time proportion basis that reflects the effective yield on the assets.

4. Material accounting policies (cont'd)

(d) Employee benefits

(i) Short-term benefits

Wages and salaries are usually accrued and paid on a monthly basis and are recognised as an expense, unless they relate to cost of producing inventories or other assets.

Paid absences (annual leave, maternity leave, paternity leave, sick leave, etc.) are accrued in each period if they are accumulating paid absences that can be carried forward, or in the case of non-accumulating paid absences, recognised as and when the absences occur.

Bonus payments are recognised when, and only when, the Group and the Company have a present legal or constructive obligation to make such payment as a result of past events and a reliable estimate of the obligation can be made.

(ii) Post-employment benefits (defined contribution plans)

The Group and the Company make statutory contributions to the approved provident funds and the contributions made are charged to profit or loss in the period to which they relate. When the contributions have been paid, the Group and the Company have no further payment obligations.

(e) Tax assets and liabilities

A current tax asset/(liability) is measured at the amount the entity expects to recover/(pay) using tax rates and laws that have been enacted or substantially enacted by the reporting date.

Deferred taxes are measured using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred taxes reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

(f) Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS"). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(g) Property, plant and equipment

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

Freehold land is not depreciated. All other property, plant and equipment are depreciated on a straight-line basis to write off the cost of the property, plant and equipment over the term of their estimated useful lives. The principal annual rates of depreciation used are as follows:

Buildings and factory buildings	10 - 50 years
Plant and machinery	10 years
Equipment	3 - 10 years
Furniture and fittings	10 years
Motor vehicles	5 - 6 1/4 years

4. Material accounting policies (cont'd)

(h) Inventories

(i) Wooden furniture

Inventories are stated at the lower of cost and net realisable value. The costs of inventories are calculated as follows:

(i) Raw materials

The purchase costs of raw materials are determined based on the first-in-first-out ("FIFO") method.

(ii) Finished goods and work-in-progress

Comprises costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity. These costs are determined using the weighted average cost method.

(ii) Land held for property development

Land held for property development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current asset and stated at the lower of cost and net realisable value.

Land held for property development is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

(iii) Property development costs

Property development costs are stated at the lower of cost and net realisable value.

(i) Financial instruments

(i) Financial assets

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under MFRS 15.

The Group and the Company only have financial assets measured at amortised cost (debt instruments).

Financial assets at amortised cost (debt instruments)

The Group's and the Company's financial assets at amortised cost include trade and other receivables and cash and bank balances.

(ii) Financial liabilities

The Group and the Company only have financial liabilities measured at amortised cost.

Financial liabilities measured at amortised cost

The Group's and the Company's financial liabilities measured at amortised cost include trade and other payables and loans and borrowings.

4. Material accounting policies (cont'd)

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, at banks, deposits with licensed banks with maturity not exceeding three (3) months and short-term, highly liquid investments which are readily convertible to cash with short periods to maturity and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts, if any.

(k) Impairment

(i) Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments considered to have low credit risk, the Group and the Company apply the low credit risk simplification. At every reporting date, the Group and the Company evaluate whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group and the Company reassess the internal credit rating of the debt instrument.

In addition, the Group and the Company consider that there has been a significant increase in credit risk when contractual payments are more than one (1) year past due. It is the Group's and the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Group and the Company consider a financial asset in default when contractual payments are one (1) year past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments that indicate that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

4. Material accounting policies (cont'd)

(l) Equity instruments

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised as an appropriation of retained profits upon declaration, and are only taken up as liabilities upon the necessary approval being obtained.

(m) Borrowings costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds.

(n) Leases

Group as a lessee

Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. These assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful lives of the assets, as follows:

Long-term leasehold land	60 years
Short-term leasehold land	3 - 6 years

Lease liabilities

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

(o) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance.

(p) Fair value measurement

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

(ii) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

(iii) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

5. Revenue

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Revenue from contracts with customers				
Sale of furniture	53,804,498	75,258,901	-	-
Revenue from other sources				
Dividend income	-	-	-	1,020,000
Timing of revenue recognition from contracts with customers				
Point in time	53,804,498	75,258,901	-	1,020,000

There are no unfulfilled obligations, whether satisfied or partially satisfied to be recognised over the subsequent periods.

6. Other operating income

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Gain on bargain purchase	-	344,417	-	-
Gain on disposal of property, plant and equipment	12,000	11,101	-	-
Gain on remeasurement of previously held equity interest	-	679,465	-	-
Gain on termination of lease liability	-	3,963	-	-
Interest income	503,673	613,965	-	-
Miscellaneous income	42,510	262	-	-
Rental income	655,040	-	-	-
Sale of scrap material	112,853	181,379	-	-
Training fee refunds	27,250	151,907	-	-
Unrealised gain on foreign exchange	81,434	-	-	-
	1,434,760	1,986,459	-	-

7. Employee benefits expense

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Salaries and wages	16,547,126	19,825,079	699,811	818,955
Contributions to defined contribution plan	842,066	832,304	23,340	37,184
Employees Insurance System and Social Security Contributions	261,508	305,029	2,786	2,945
	17,650,700	20,962,412	725,937	859,084

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM962,874 (2025: RM569,656) and RM264,149 (2025: RM285,715) respectively as further disclosed in Note 8 to the financial statements.

8. Directors' remuneration

The details of remuneration received and receivable by Directors of the Group and of the Company during the financial year are as follows:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Executive Directors' remuneration (Note 7)				
- Salaries and other emoluments	962,874	569,656	264,149	285,715
Total Executive Directors' remuneration (excluding benefits-in-kind)	962,874	569,656	264,149	285,715
Estimated monetary value of benefits-in-kind	10,600	1,250	-	-
Total Executive Directors' remuneration (including benefits-in-kind)	973,474	570,906	264,149	285,715
Non-executive Directors' remuneration				
- Fee	365,467	352,500	365,467	352,500
Total Non-executive Directors' remuneration	365,467	352,500	365,467	352,500
Total Directors' remuneration	1,338,941	923,406	629,616	638,215

9. Loss from operations

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Other than as disclosed in Notes 6 to 8, loss from operations is arrived at after charging:				
Auditors' remuneration				
- Statutory audit				
- Current year	105,500	105,500	28,000	28,000
- Other services	7,000	50,000	7,000	50,000
- Overprovision in prior year	(1,500)	-	-	-
Depreciation of property, plant and equipment (Note 13)	2,025,432	2,067,313	-	-
Depreciation of right-of-use asset (Note 14)	226,667	180,071	-	-
Investment deposit forfeited	-	750,000	-	750,000
Property, plant and equipment written off (Note 13)	228	1	-	-
Loss on foreign exchange				
- Realised	592,024	404,484	-	-
- Unrealised	-	20,924	-	-

10. Finance costs

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Interest expenses:				
- Bankers' acceptances	144,700	196,813	-	-
- Bank overdraft interests	10,022	10,230	-	-
- Lease liability	9,797	5,404	-	-
	164,519	212,447	-	-

11. Income tax expense

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Current income tax expense	131,000	485,857	-	-
Deferred tax (Note 22)	(878,617)	(122,600)	-	-
	(747,617)	363,257	-	-
(Over)/Under provision in prior year				
- Current income tax expense	(3,158)	27,861	-	-
- Deferred tax (Note 22)	7,117	(2,600)	-	-
	3,959	25,261	-	-
	(743,658)	388,518	-	-

A reconciliation of income tax expense applicable to loss before taxation 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		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Loss before taxation, excluding the share of profit in an associate company	(6,948,548)	(812,735)	(1,056,274)	(913,626)
Taxation at Malaysian statutory tax rate of 24%	(1,667,652)	(195,056)	(253,506)	(219,270)
Effect of change in tax rate	(238,323)	-	-	-
Non-deductible expenses	613,854	514,347	253,506	464,070
Non-taxable income	(3,283)	(1,680)	-	(244,800)
Effect of unrecognised deferred tax assets	547,787	45,646	-	-
	(747,617)	363,257	-	-
(Over)/Under provision in prior year				
- Current income tax expense	(3,158)	27,861	-	-
- Deferred tax	7,117	(2,600)	-	-
	3,959	25,261	-	-
	(743,658)	388,518	-	-

12. Earnings per share

(a) Basic

Basic loss per share is calculated by dividing loss for the financial year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2026	**2025**
Loss net of tax attributable to owners of the Company (RM)	(6,204,890)	(1,144,757)
Weighted average number of ordinary shares in issue	99,995,000	99,995,000
Basic loss per share (sen)	(6.21)	(1.14)

(b) Diluted

There is no dilution in the earnings per share of the current and previous financial year end as there are no dilutive potential ordinary shares outstanding at the end of the respective reporting period.

13. Property, plant and equipment

Group Cost	Freehold land RM	Buildings RM	Factory buildings RM	Plant and machinery RM	Equipment RM	Furniture and fittings RM	Motor vehicles RM	Total RM
At 1July 2024	152,653	1,399,412	50,223,964	36,839,146	4,518,278	2,393,477	2,529,189	98,056,119
Acquisition of subsidiary (Note 15)	-	-	2,192,000	183,739	5,330	-	64,483	2,445,552
Additions	9,340	-	-	-	210,771	36,370	11,641	268,122
Disposals	-	-	-	-	-	-	(357,763)	(357,763)
Written off	-	-	-	(1,727,977)	(388,087)	(10,526)	-	(2,126,590)
At 30 June 2025	161,993	1,399,412	52,415,964	35,294,908	4,346,292	2,419,321	2,247,550	98,285,440
Additions	-	-	-	500,346	70,378	-	-	570,724
Disposals	-	-	-	(367,000)	-	-	-	(367,000)
Written off	-	-	-	(447,304)	(14,442)	-	-	(461,746)
At 30 June 2026	161,993	1,399,412	52,415,964	34,980,950	4,402,228	2,419,321	2,247,550	98,027,418
Accumulated depreciation								
At 1July 2024	-	648,203	29,755,655	34,373,876	3,871,932	2,354,081	1,816,462	72,820,209
Charge for the financial year (Note 9)	-	27,986	943,620	657,952	201,761	12,163	223,831	2,067,313
Disposals	-	-	-	-	-	-	(357,763)	(357,763)
Written off	-	-	-	(1,727,976)	(388,087)	(10,526)	-	(2,126,589)
At 30 June 2025	-	676,189	30,699,275	33,303,852	3,685,606	2,355,718	1,682,530	72,403,170
Charge for the financial year (Note 9)	-	27,988	954,374	640,753	192,161	14,573	195,583	2,025,432
Disposals	-	-	-	(367,000)	-	-	-	(367,000)
Written off	-	-	-	(447,304)	(14,214)	-	-	(461,518)
At 30 June 2026	-	704,177	31,653,649	33,130,301	3,863,553	2,370,291	1,878,113	73,600,084
Net Book Value								
At 30 June 2026	161,993	695,235	20,762,315	1,850,649	538,675	49,030	369,437	24,427,334
At 30 June 2025	161,993	723,223	21,716,689	1,991,056	660,686	63,603	565,020	25,882,270

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

The factory buildings with a carrying amount of RM6,526,443 (2025: RM6,773,245) have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 21 to the financial statements.

14. Right-of-use assets

Group	Long-term leasehold land RM	Short-term leasehold land RM	Total RM
Cost			
At 1July 2024	13,115,164	127,718	13,242,882
Acquisition of subsidiary (Note 15)	1,608,000	-	1,608,000
Addition	-	196,412	196,412
Expiration of lease contracts	-	(127,718)	(127,718)
As 30 June 2025/ 30 June 2026	14,723,164	196,412	14,919,576
Accumulated depreciation			
At 1 July 2024	5,121,855	47,894	5,169,749
Charge for the financial year (Note 9)	147,755	32,316	180,071
Expiration of lease contracts	-	(63,859)	(63,859)
At 30 June 2025	5,269,610	16,351	5,285,961
Charge for the financial year (Note 9)	161,196	65,471	226,667
At 30 June 2026	5,430,806	81,822	5,512,628
Net book value			
At 30 June 2026	9,292,358	114,590	9,406,948
At 30 June 2025	9,453,554	180,061	9,633,615

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

Additional information about the leasing activities are as follows:

	Long-term leasehold land		Short-term leasehold land	
	2026 RM	2025 RM	2026 RM	2025 RM
(a) Lease term	60 years	60 years	3 years	3 years
(b) Renewal option	No	No	3 years	3 years
(c) Termination option	No	No	Yes	Yes
(d) Restriction imposed	*	*	No	No
(e) Lease term determined by the management	60 years	60 years	3 years	3 years

* No lease liability has been recognised for the leasehold land as the Group settled its lease obligation prior to the initial application date of MFRS 16.

Long-term leasehold land with a carrying amount of RM3,150,209 (2025: RM3,204,374) has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 21 to the financial statements.

15. Investments in subsidiaries

	Company	
	2026 RM	2025 RM
Unquoted shares, at cost		
At 1 July	70,748,998	70,748,998
Additions	10,000	-
At 30 June	70,758,998	70,748,998

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Proportion of ownership interest 2026 %	Proportion of ownership interest 2025 %	Principal activities
Held by the Company				
SHH Furniture Industries Sdn. Bhd.	Malaysia	100	100	Investment holding and manufacturing of wooden furniture
Pureyield Mining Sdn. Bhd.	Malaysia	100	-	Investment holding and mining
Held through SHH Furniture Industries Sdn. Bhd.				
Deseng Hardware (M) Sdn. Bhd.	Malaysia	100	100*	Manufacturing of furniture components
Kurnia Sejati Sdn. Bhd.	Malaysia	100	100	Manufacturing of wooden furniture
Kimcrest Sdn. Bhd.	Malaysia	100	100	Property investment
Rampai Pesona Sdn. Bhd.	Malaysia	100	100	Construction and property development
SHH Wood Processing Sdn. Bhd.	Malaysia	100	100	Ceased business operation

* Audited by firm of auditors other than PKF PLT, Malaysia

Subscription for equity interest in a subsidiary

On 5 June 2026, the Company subscribed 100% equity interests in Pureyield Mining Sdn. Bhd., being the date of incorporation of the subsidiary, for a total consideration of RM10,000.

15. Investments in subsidiaries (cont'd)

Acquisition of a subsidiary

On 27 December 2024, the Group, through its subsidiary, SHH Furniture Industries Sdn. Bhd., obtained control over Deseng Hardware (M) Sdn. Bhd. ("Deseng"), which had previously been accounted for as an associate, following the acquisition of an additional 51% equity interest. Consequently, Deseng became an indirect wholly-owned subsidiary of the Company.

In accordance with MFRS 3 Business Combinations, the Group remeasured its previously held equity interest in Deseng at fair value on the date control was obtained. The resulting gain on remeasurement of RMNil (2025: RM679,465) has been recognised in the statement of profit and loss and other comprehensive income.

The acquisition had the following effect on the Group's assets and liabilities as at acquisition date:

	As at 27 December 2024 RM
Assets	
Property, plant and equipment (Note 13)	2,445,552
Right-of-use asset (Note 14)	1,608,000
Inventories	795,848
Other debtors	597,202
Cash and bank balances	126,072
Total assets	5,572,674
Liabilities	
Trade and other payables	1,190,630
Bank overdraft	322,775
Loans and borrowings	678,000
Deferred tax liabilities (Note 22)	546,657
Total liabilities	2,738,062
Total fair value of identifiable net assets acquired	2,834,612
Fair value of previously held shares	(1,220,195)
Gain on bargain purchase (Note 6)	(344,417)
Cash consideration	1,270,000
Add: Cash acquired from Deseng	196,703
Net cash outflows, presented as investing activities in the Group statement of cash flows	1,466,703

16. Inventories

	Group	
	2026 RM	2025 RM
Non-current		
Development properties		
At cost		
Land held for development and development costs	11,263,458	11,263,458
Current		
Wooden furniture		
At cost		
Raw materials	5,014,595	5,210,487
Work-in-progress	2,554,598	3,952,463
Finished goods	7,595,272	10,853,033
Goods in transit	-	165,516
	15,164,465	20,181,499
Total inventories	26,427,923	31,444,957

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM51,524,257 (2025: RM65,294,372).

Development properties

	Land held for development RM	Development cost RM	Total RM
Non-current			
At cost			
At 1 July 2024/30 June 2025/ 30 June 2026	10,236,600	1,026,858	11,263,458

17. Trade and other receivables

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Trade receivables				
Third parties	2,316,715	3,752,236	-	-
Less: Allowance for expected credit losses	(677,485)	(677,485)	-	-
Trade receivables, net	1,639,230	3,074,751	-	-
Other receivables				
Third parties	128,264	87,912	-	-
Interest receivable	76,582	91,769	-	-
Deposit for acquisition of a subsidiary	1,200,000	-	-	-
Other deposits	610,055	785,105	1,000	1,000
Prepayments	710,197	868,521	11,139	11,139
	2,725,098	1,833,307	12,139	12,139
Amount due from a subsidiary	-	-	1,200,000	-
Total trade and other receivables	4,364,328	4,908,058	1,212,139	12,139

Trade receivables are non-interest bearing and are generally on 14 to 90 days terms. They are recognised at their original invoice amounts which represented their fair values on initial recognition.

Amount due from a subsidiary is unsecured, interest free and repayable on demand.

During the financial year, the following losses were recognised in profit or loss in relation to impaired financial assets:

Group	Trade receivables RM
At 1 July 2024/30 June 2025/30 June 2026	677,485

Information about the Group's exposure to credit risks and expected credit losses for trade receivables is included in Note 27 to the financial statements.

18. Cash and cash equivalents

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Cash in hand	22,812	18,757	2	2
Cash at banks	8,190,055	8,624,650	83,013	184,872
Fixed deposits with licensed banks	11,000,000	14,500,000	-	-
Cash and bank balances	19,212,867	23,143,407	83,015	184,874
Less: Bank overdraft (Note 21)	-	(251,955)	-	-
	19,212,867	22,891,452	83,015	184,874

The deposits earn interests at the respective banks' deposit rates. They are made for varying periods of between one (1) month to three (3) months (2025: one (1) month to three (3) months) depending on the immediate cash requirements of the Group. The interest rates of the Group during the financial year range from 1.65% to 3.85% (2025: 2.00% to 3.85%) per annum.

19. Share capital

Group/Company	No. of ordinary shares	Share capital
Issued and fully paid:		RM
At 1 July 2024/30 June 2025/30 June 2026	99,995,000	49,997,500

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

20. Retained profits

The Group's and the Company's policy is to treat all gains and losses that pass through the statements of profit or loss and other comprehensive income (i.e. non-owner transactions or events) as revenue reserves. Other than retained profits, all other revenue reserves are regarded as non-distributable in the form of cash dividends to shareholders.

21. Loans and borrowings

		Group	
		2026	2025
Non-current		RM	RM
Secured:			
Lease liability		52,824	119,292
Current			
Secured:			
Bankers' acceptances		3,627,989	4,284,890
Bank overdraft (Note 18)		-	251,955
Lease liabilities		66,468	62,203
		3,694,457	4,599,048
Total loans and borrowings			
Secured:			
Bankers' acceptances	(i)	3,627,989	4,284,890
Bank overdraft (Note 18)	(ii)	-	251,955
Lease liabilities	(iii)	119,292	181,495
		3,747,281	4,718,340
Maturity structure of loans and borrowings			
Within one year		3,694,457	4,599,048
Between one to two years		52,824	66,468
Between two to five years		-	52,824
		3,747,281	4,718,340

(i) Bankers' acceptances

The bankers' acceptances bear interest rates ranging from 3.36% to 5.26% (2025: 3.61% to 5.30%) per annum and are secured by:

(a) Legal charges over the factory buildings and long-term leasehold land of subsidiaries as disclosed in Notes 13 and 14 to the financial statements respectively; and
(b) Corporate guarantee given by the Company.

(ii) Bank overdraft

Bank overdraft bears interest rate of 8.5% (2025: 8.7%) per annum and is secured by:

(a) Legal charges over the factory buildings and long-term leasehold land of a subsidiary as disclosed in Notes 13 and 14 to the financial statements respectively; and
(b) Corporate guarantee given by the Company.

21. Loans and borrowings (cont'd)

(iii) Lease liabilities

The Group has lease contracts for short-term leasehold land used in its operations as disclosed in Note 14 to the financial statements. The discount rate implicit in the land lease is 6.65% (2025: 6.65%) per annum.

The Group's lease obligations are secured by the lessor's title to the leased assets.

There were no leases with residual value guarantees or leases that have yet to commence for which the Group and the Company have committed.

22. Deferred tax liabilities

	Group	
	2026 RM	2025 RM
At 1 July	2,132,758	1,711,301
Recognised in profit or loss (Note 11)	(871,500)	(125,200)
Arising from acquisition of subsidiary (Note 15)	-	546,657
At 30 June	1,261,258	2,132,758

The components of deferred tax assets and liabilities as at the end of the financial year prior to offsetting are as follows:

	Group	
	2026 RM	2025 RM
Deferred tax assets		
Provision	5,067	58,348
Unabsorbed capital allowances	196,720	-
Unutilised tax losses	710,535	1,077,108
Others	378	5,022
	912,700	1,140,478
Deferred tax liabilities		
Property, plant and equipment	(2,173,958)	(3,273,236)
Deferred tax liabilities recognised	(1,261,258)	(2,132,758)

22. Deferred tax liabilities (cont'd)

No deferred tax assets have been recognised for the following items:

	Group	
	2026 RM	**2025 RM**
Provision	3,146	-
Property, plant and equipment	(6,589,767)	(2,381,047)
Unabsorbed capital allowances	1,827,547	1,329,803
Unutilised tax losses	9,753,049	4,728,091
Others	(27,697)	-
	4,966,278	3,676,847
Tax rate	24%	24%
Deferred tax assets not recognised	1,191,907	882,443

Year of expiry of unutilised tax losses is analysed as follows:

	2026 RM	**2025 RM**
Expiry by 2028	3,003,454	3,003,454
Expiry by 2029	1,344,649	1,344,649
Expiry by 2030	4,487,950	4,487,950
Expiry by 2031	306,448	306,448
Expiry by 2035	73,540	73,540
Expiry by 2036	3,497,571	-
	12,713,612	9,216,041
Tax rate	24%	24%
	3,051,267	2,211,850

The unabsorbed capital allowances disclosed above are available indefinitely for offsetting against future taxable profits of the Group whereas the unutilised tax losses are available to be carried forward up to the maximum of ten (10) years, subject to no substantial change in shareholdings under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits.

23. Trade and other payables

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Trade payables				
Third parties	2,914,315	5,681,278	-	-
Other payables				
Third parties	343,853	457,178	5,434	6,060
Accruals	1,609,660	2,058,527	78,623	78,582
Rental deposit received	294,400	73,600	-	-
	2,247,913	2,589,305	84,057	84,642
Amount due to a subsidiary	-	-	8,227,810	6,062,810
Total trade and other payables	5,162,228	8,270,583	8,311,867	6,147,452

The normal credit terms granted to the Group are 7 to 90 days (2025: 7 to 90 days).

Amount due to a subsidiary is unsecured, interest free and repayable on demand.

24. Dividend

	Group/Company	
	2026 RM	2025 RM
Recognised during the financial year		
Dividend on ordinary shares:		
First and final single-tier dividend of Nil sen (2025: 1.0 sen) per ordinary share	-	999,950

25. Significant related party transactions

(a) Identities of related parties

Parties are considered to be related to the Group and the Company if the Group and the Company have 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 could be individuals or other entities.

(b) Related parties' transactions

The aggregate value of transactions of the related parties of the Group and of the Company were as follows:

Group		**Transaction value**	
		2026	**2025**
Name of related parties	**Types of transactions**	**RM**	**RM**
Subsidiary company:			
Deseng Hardware (M) Sdn. Bhd.	Purchase of goods	-	2,836,905
	Workmanship charges	-	77,774
Substantial shareholder/Person connected to Former Director:			
Dato' Teo Wee Cheng	Consultancy fee	-	58,000
Company			
With subsidiary company:			
SHH Furniture Industries Sdn. Bhd.	Advances from	2,165,000	1,119,488
	Dividend income	-	(1,020,000)
Pureyield Mining Sdn. Bhd.	Advances given	(1,200,000)	-

Information regarding outstanding balances arising from related party transactions as at 30 June 2026 is disclosed in Notes 17 and 23 to the financial statements.

25. Significant related party transactions (cont'd)

(c) Compensation of key management personnel

The remuneration of Directors and other members of key management during the financial year was as follows:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Short-term employee benefits	1,709,267	1,996,559	701,749	801,052
Contributions to defined contribution plan	133,608	165,377	23,340	35,520
	1,842,875	2,161,936	725,089	836,572
Included in the key management personnel are:				
Directors' remuneration (Note 8)	1,338,941	923,406	629,616	638,215
Key management personnel's remuneration	503,934	1,238,530	95,473	198,357
	1,842,875	2,161,936	725,089	836,572

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

The terms and conditions and prices of the above transactions are mutually agreed between the parties.

26. Financial guarantees

The fair value of financial guarantees provided by the Company to the banks to secure banking facilities granted to subsidiaries as disclosed in Note 21 to the financial statements with nominal amount of RM38,550,000 (2025: RM36,950,000) are negligible as the probability of the financial guarantees being called is remote as those subsidiaries will be able to meet their short-term loans and borrowings obligations as and when they are due.

27. Financial instruments

(a) Categories of financial instruments

	Group		Company	
	2026	2025	2026	2025
Financial assets	RM	RM	RM	RM
Measured at amortised cost				
Trade and other receivables	3,654,131	4,039,537	1,201,000	1,000
Cash and bank balances	19,212,867	23,143,407	83,015	184,874
	22,866,998	27,182,944	1,284,015	185,874
Financial liabilities				
Measured at amortised cost				
Loans and borrowings	3,747,281	4,718,340	-	-
Trade and other payable	5,162,228	8,270,583	8,311,867	6,147,452
	8,909,509	12,988,923	8,311,867	6,147,452

A reconciliation of trade and other receivables financial assets to the amounts reflected in the statements of financial position is as follows:

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Trade and other receivables				
As reflected in the statements of financial position (Note 17)	4,364,328	4,908,058	1,212,139	12,139
Less: Prepayments	(710,197)	(868,521)	(11,139)	(11,139)
	3,654,131	4,039,537	1,201,000	1,000

27. Financial instruments (cont'd)

(b) Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees on policies and procedures for the management of these risks, which are executed by Executive Directors. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial years, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) 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 the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

As at the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- the carrying amount of each class of financial assets recognised in the statements of financial position; and
- a nominal amount of RM38,550,000 (2025: RM36,950,000) relating to corporate guarantees provided by the Company to the banks to secure banking facilities granted to its subsidiaries.

(a) Trade receivables

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The Group's historical experience in the collection of trade receivables is within the recorded credit period and the management believes that no additional credit risk for collection losses is inherent in the Group's trade receivables.

27. Financial instruments (cont'd)

(b) Financial risk management (cont'd)

(i) Credit risk (cont'd)

(a) Trade receivables (cont'd)

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

Group	Gross amount RM	Expected credit losses RM	Carrying amount RM
2026			
Not past due	1,677,738	-	1,677,738
Past due:			
- less than 30 days	-	-	-
- between 31 to 60 days	-	-	-
- between 61 to 90 days	(81,000)	-	(81,000)
- more than 91 days	719,977	(677,485)	42,492
	638,977	(677,485)	(38,508)
	2,316,715	(677,485)	1,639,230
2025			
Not past due	3,070,302	-	3,070,302
Past due:			
- less than 30 days	4,449	-	4,449
- between 31 to 60 days	-	-	-
- between 61 to 90 days	-	-	-
- more than 91 days	677,485	(677,485)	-
	681,934	(677,485)	4,449
	3,752,236	(677,485)	3,074,751

The Group does not hold any collateral or other credit enhancements over these balances.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

The Group applies the MFRS 9 simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics. The expected loss rates are based on historical credit losses experienced by the Group. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The effect of the expected credit losses is not material to the Group and as such, the expected credit loss rates have not been disclosed.

27. Financial instruments (cont'd)

(b) Financial risk management (cont'd)

(i) Credit risk (cont'd)

(a) Trade receivables (cont'd)

Trade receivables that are individually determined to be credit impaired at the financial year end are those in significant financial difficulties and who have defaulted on payments.

As at the reporting date, the Group have significant concentration of credit risk in the form of outstanding balances due from two (2) (2025: 2) major customers representing 83% (2025: 80%) of the total gross trade receivables of the Group.

(b) Other receivables

For other receivables, lifetime expected credit losses are assessed for those counterparties that show significant increase in credit risk as at the end of the reporting period, and impairment made based on objective evidence of impairment.

(c) Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. Consequently, the Group and the Company are of the view that loss allowance is not material and hence, it is not provided for.

(d) Financial guarantees

At the reporting date, the Company's maximum exposure to credit risk is represented by the nominal amount of RM38,550,000 (2025: RM36,950,000) relating to corporate guarantees provided by the Company to banks for banking facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on an individual basis. The Company determines the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, there is no indication that the subsidiaries would default on repayment, and accordingly no expected credit losses were recognised.

27. Financial instruments (cont'd)

(b) Financial risk management (cont'd)

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and balances its portfolio with some short-term funding so as to achieve overall cost effectiveness.

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 year based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):

Group	Carrying amount RM	Contractual undiscounted cash flows RM	Within one (1) year RM	One (1) to five (5) years RM	Over five (5) years RM
2026					
Financial liabilities					
Trade and other payables	5,162,228	5,162,228	5,162,228	-	-
Loans and borrowings	3,747,281	3,753,989	3,699,989	54,000	-
	8,909,509	8,916,217	8,862,217	54,000	-
2025					
Financial liabilities					
Trade and other payables	8,270,583	8,270,583	8,270,583	-	-
Loans and borrowings	4,718,340	4,734,845	4,608,845	126,000	-
	12,988,923	13,005,428	12,879,428	126,000	-

27. Financial instruments (cont'd)

(b) Financial risk management (cont'd)

(ii) Liquidity risk (cont'd)

Company 2026	Carrying amount RM	Contractual undiscounted cash flows RM	Within one (1) year RM	One (1) to five (5) years RM	Over five (5) years RM
Financial liabilities					
Trade and other payables	8,311,867	8,311,867	8,311,867	-	-
Financial guarantees*	-	38,550,000	38,550,000	-	-
	8,311,867	46,861,867	46,861,867	-	-
2025					
Financial liabilities					
Trade and other payables	6,147,452	6,147,452	6,147,452	-	-
Financial guarantees*	-	36,950,000	36,950,000	-	-
	6,147,452	43,097,452	43,097,452	-	-

* The maximum amount of the issued financial guarantee contracts is allocated to the earliest period in which the guarantees could be called.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises mainly from its loans and borrowings. Most of the Group's loans and borrowings are charged a fixed interest rate plus the financial institutions' base lending rate per annum. The fixed interest rate is reviewed annually, while the base lending rate used by the financial institutions varies according to the rates set by the respective financial institutions. Meanwhile, the interest rate charged on lease liability is fixed at the inception of the lease arrangement. The investments in financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

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

	Group Increase /(Decrease)	
	2026	2025
Effects on loss after taxation	**RM**	**RM**
Increase of 40 bp (2025: 60 bp)	22,411	45,432
Decrease of 40 bp (2025: 60 bp)	(22,411)	(45,432)

27. Financial instruments (cont'd)

(b) Financial risk management (cont'd)

(iv) Foreign currency risk

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

The Group has transactional currency exposures arising from sales that are denominated in a currency other than the functional currency of the Group, which is RM. The foreign currency in which these transactions are denominated are mainly United States Dollars (USD).

Approximately 99% (2025: 99%) of the Group's sales are denominated in foreign currency. 97% (2025: 99%) of the Group's trade receivables as at reporting date are denominated in foreign currency.

The Group also holds cash at banks denominated in foreign currencies for working capital purposes. As at the reporting date, such foreign currency balances (mainly in USD) amounted to RM2,011,588 (2025: RM1,569,853).

The following table demonstrates the sensitivity of the Group's loss before tax to a reasonably possible change in the USD exchange rate against the functional currency of the Group, with all other variables held constant:

	Group Increase /(Decrease)	
	2026	2025
Effects on loss before taxation	**RM**	**RM**
USD/RM		
- strengthened 5% (2025: 5%)	197,371	224,652
- weakened 5% (2025: 5%)	(197,371)	(224,652)

28. Fair value information

The financial assets and financial liabilities maturing within the next twelve (12) months approximated their fair values due to the relatively short-term maturity of the financial instruments.

Financial guarantees

The fair value of financial guarantees is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned using the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- The estimated loss exposure if the guaranteed party were to default.

The financial guarantees have not been recognised in the financial statements of the Company as the requirements to reimburse are remote and the Company does not expect to incur material losses under these corporate guarantees. As at 30 June 2026, there was no indication that the subsidiaries would default on payments.

29. Capital management

The primary objective of the Group's and of the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratios in order to support their businesses and maximise shareholders' value.

The Group and the Company manage their capital structure, and make adjustment to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares. The Group's strategies were unchanged from the previous financial year.

The Group and the Company monitor capital using gearing ratio. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus payables less cash and bank balances.

The gearing ratio of the Group and of the Company as at the end of the reporting period was as follows:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Loans and borrowings	3,747,281	4,718,340	-	-
Trade and other payables	5,162,228	8,270,583	8,311,867	6,147,452
Less: Cash and bank balances	(19,212,867)	(23,143,407)	(83,015)	(184,874)
Net debt	(10,303,358)	(10,154,484)	8,228,852	5,962,578
Total equity	74,380,095	80,584,985	63,742,285	64,798,559
Gearing ratio	-	-	12.91%	9.20%

The Group maintains a gearing ratio that complies with the applicable debt covenant as at the reporting date. The Group is not subject to any other externally imposed capital requirements.

30. Segment information

(i) Operating segment

For management purposes, the Group is organised into business units based on its products and services, and has two (2) reportable operating segments as follows:

	Reportable segments	Operations
(i)	Wooden furniture	Manufacture of wooden furniture, and other support services
(ii)	Property development	Construction and property development

Except as indicated above, no other operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated statement of profit or loss and other comprehensive income. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

30. Segment information (cont'd)

(i) Operating segment (cont'd)

	Wooden furniture		Property development		Eliminations		Note	Per consolidated financial statements	
	2026 RM	2025 RM	2026 RM	2025 RM	2026 RM	2025 RM		2026 RM	2025 RM
Segment loss	(6,909,074)	(1,804,316)	(18,183)	(3,365)	(21,291)	1,051,442		(6,948,548)	(756,239)
Included in the measure of segment loss are:									
Revenue from:									
External customers	53,804,498	75,258,901	-	-	-	-		53,804,498	75,258,901
Inter-segment	15,111,710	19,836,691	-	-	(15,111,710)	(19,836,691)		-	-
Total revenue	68,916,208	95,095,592	-	-	(15,111,710)	(19,836,691)	(a)	53,804,498	75,258,901
Depreciation of property, plant and equipment	(2,000,604)	(2,054,882)	-	-	(24,828)	(12,431)		(2,025,432)	(2,067,313)
Depreciation of right-of-use assets	(372,278)	(612,696)	-	-	145,611	432,625		(226,667)	(180,071)
Finance costs	(174,673)	(285,378)	-	-	10,154	72,931		(164,519)	(212,447)
Gain on bargain purchase	-	-	-	-	-	344,417		-	344,417
Gain on remeasurement of previously held equity interest	-	-	-	-	-	679,465		-	679,465
Gain on termination of lease liability	-	-	-	-	-	3,963		-	3,963
Interest income	503,673	599,745	-	14,220	-	-		503,673	613,965
Property, plant and equipment written off	(228)	(1)	-	-	-	-		(228)	(1)
Share of profit in an associate company	-	56,496	-	-	-	-		-	56,496
Unrealised gain/(loss) on foreign exchange	81,434	(20,924)	-	-	-	-		81,434	(20,924)

30. Segment information (cont'd)

(i) Operating segment (cont'd)

	Wooden furniture		Property development		Eliminations		Note	Per consolidated financial statements	
	2026 RM	2025 RM	2026 RM	2025 RM	2026 RM	2025 RM		2026 RM	2025 RM
Segment assets	71,078,879	82,178,436	11,281,854	11,296,721	2,214,589	2,256,690		84,575,322	95,731,847
Included in the measure of segment assets are:									
Additions to non-current assets	570,724	2,240,345	-	-	-	2,277,741	(b)	570,724	4,518,086
Segment liabilities	9,608,247	14,559,508	40,323	40,696	546,657	546,658		10,195,227	15,146,862
Included in the measure of segment liabilities are:									
Deferred tax liabilities	732,600	1,644,100	-	-	528,658	488,658		1,261,258	2,132,758
Taxation	(710,331)	(694,786)	(1,131)	427	-	-		(711,462)	(694,359)

30. Segment information (cont'd)

(i) Operating segment (cont'd)

(a) Inter-segment revenues are eliminated on consolidation.

(b) Additions to non-current assets consist of:

	2026 RM	2025 RM
Property, plant and equipment (Note 13)	570,724	2,713,674
Right-of-use assets (Note 14)	-	1,804,412
	570,724	4,518,086

(ii) Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers, and segment assets are based on geographical location of assets.

	Revenue		Non-current assets	
	2026 RM	2025 RM	2026 RM	2025 RM
Malaysia	739,668	671,688	45,097,740	46,779,343
Saudi Arabia	-	474,182	-	-
United Arab Emirates	-	640,416	-	-
United States	53,064,830	73,472,615	-	-
	53,804,498	75,258,901	45,097,740	46,779,343

(iii) Major customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue:

	Revenue		Segment
Companies	2026 RM	2025 RM	
Company A	40,099,260	57,392,480	Wooden furniture

31. Subsequent event

On 16 July 2026, Pureyield Mining Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a Share Sale Agreement ("SSA") to acquire a 51% equity interest in Stellar Jewel Mining Sdn. Bhd. ("Stellar Jewel"), comprising 510 ordinary shares, for a cash consideration of RM4,000,000. Stellar Jewel has secured contractual rights to undertake gold mining and extraction activities over approximately 153.8 hectares in Kelantan.

The acquisition was completed subsequent to the financial year end on 2 September 2026 and, accordingly, Stellar Jewel became a subsidiary of the Group from that date.

The acquisition constitutes a business combination and will be accounted for in accordance with MFRS 3, Business Combinations. As at the date of approval of these financial statements, the determination of the fair values of the identifiable assets acquired and liabilities assumed, and the resulting goodwill or gain on bargain purchase, has not been finalised.

LIST OF LANDED PROPERTIES

The Group's policy on revaluation of landed properties is as stated in Note 4(g) and 4(n) to the Financial Statements.

Location	Description	Land Area (ha)	Use	Tenure/Age of Building	Value as at 30.06.2026 RM'000	Date of Revaluation/ Acquisition
SHH Furniture Industries Sdn Bhd						
Lot No. 9237 & 9239 (Formerly PLO Nos. 1, 4, 5 & 6) Kawasan Perindustrian, Pagoh, Muar, Johor Darul Takzim	2 plots of industrial land with factories, office buildings and ancillary structures	5.47	Office and furniture manufacturing facilities	60 years leasehold expiring in 2084/ 32 - 34 years	10,261	8.9.1994 Revaluation
Lot No. 4036 Mukim of Jorak Muar Johor Darul Takzim	1 plot of residential land with 3 blocks of workers' quarters	0.51	Workers' quarters	Freehold/ 33 years	407	7.4.1994 Revaluation
Lot No. 18833 (Formerly PLO Nos. 45, 46 & 47) Kawasan Perindustrian Pagoh, Muar Johor Darul Takzim	1 plot of industrial land with factories, office building and ancillary structures	2.01	Office and furniture manufacturing facilities	60 years leasehold expiring in 2084/ 21 years	3,181	8.9.1994 Revaluation
Lot No. 4041 Mukim of Jorak Muar Johor Darul Takzim	1 plot of land with 3 blocks of workers' quarters	0.54	Workers' quarters	Freehold/ 26 years	450	22.4.1996 Acquisition
SHH Wood Processing Sdn Bhd						
Lot No. 9238 (Formerly PLO Nos. 2 & 3) Kawasan Perindustrian Pagoh, Muar Johor Darul Takzim	1 plot of industrial land with factories and kiln-drying structures	2.89	Wood treatment and kiln-drying facilities	60 years leasehold expiring in 2084/ 33 years	4,006	8.9.1994 Revaluation
Kurnia Sejati Sdn Bhd						
Lot No. 9243 & 9244 (Formerly PLO Nos. 10, 11, 12, 13 & 14) Kawasan Perindustrian Pagoh, Muar Johor Darul Takzim	2 plots of industrial land with factories, office buildings and ancillary structures	3.68	Office and furniture manufacturing facilities	60 years leasehold expiring in 2084/ 27 years	6,012	8.9.1994 Revaluation

LIST OF LANDED PROPERTIES (cont'd)

Location	Description	Land Area (ha)	Use	Tenure/Age of Building	Value as at 30.06.2026 RM'000	Date of Revaluation/ Acquisition
Kimcrest Sdn Bhd						
Lot No. 9246 (Formerly PLO Nos. 7, 8, 16 & 17) Kawasan Perindustrian Pagoh, Muar Johor Darul Takzim	1 plot of industrial land with office building and warehouse	2.59	Office and warehousing facilities	60 years leasehold expiring in 2084/ 23 years	2,930	8.9.1994 Revaluation
Rampai Pesona Sdn Bhd						
Geran 50541, Lot 8836 Mukim Kajang District of Ulu Langat Selangor Darul Ehsan	Vacant land	2.02	Land held for development	Freehold/ NA	10,237	3.4.2020 Acquisition
Deseng Hardware (M) Sdn Bhd						
Lot No. 9258 (Formerly PLO Nos. 32) Kawasan Perindustrian Pagoh, Muar Johor Darul Takzim	1 plot of industrial land with office building and ancillary structures	0.60	Office and furniture parts manufacturing facilities	60 years leasehold expiring in 2084/ 32 years	3,665	27.12.2024 Acquisition

STATISTIC ON SHAREHOLDINGS
AS AT 6TH OCTOBER 2026

Principal Statistics

Issued and Paid-up Share Capital	-	RM 49,997,500
Class of Shares	-	Ordinary shares
No. of shares in issue	-	99,995,000 shares
Voting Rights	-	One vote per ordinary share
Number of Shareholders	-	736

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	10	1.36	96	-
100 – 1,000	322	43.75	77,100	0.08
1,001 - 10,000	252	34.24	1,372,910	1.37
10,001 - 100,000	108	14.67	3,465,170	3.47
100,001 to less than 5% of issued shares	40	5.44	42,991,000	42.99
5% and above of issued shares	4	0.54	52,088,724	52.09
	736	100.00	99,995,000	100.00

Substantial Shareholders

(Based on the Register of Substantial Shareholders)

Name of Shareholders	No. of Shares Held		% of Issued Share Capital	
	Direct	Deemed	Direct	Deemed
SX Capital Sdn Bhd	23,500,400(a)	-	23.50%	-
Lew Khim Khim	-	23,500,400(b)	-	23.50%
Puncak Intan Sdn Bhd	9,663,750	-	9.66%	-
Lee Vui Han@ Anthony Lee Vui Han	6,649,874(c)	9,193,400(d)	6.65%	9.19%
Harry Lee Vui Khiun	1,561,700(e)	9,193,400(d)	1.56%	9.19%
Harry Lee Vui Khiun	-	260,000(f)	-	0.26%

Notes:-

(a) 23,500,400 shares are held through a nominee company.
(b) Deemed interested by virtue of his substantial shareholding in SX Capital Sdn. Bhd.
(c) 6,649,874 shares are held through nominee company.
(d) 9,193,400 shares held under joint account of Harry Lee Vui Khiun and Lee Vui Han @ Anthony Lee Vui Han.
(e) 1,530,400 shares are held through nominee companies.
(f) Deemed interested by virtue of his shareholding in a company in which he has substantial financial interest.

STATISTIC ON SHAREHOLDINGS
AS AT 6TH OCTOBER 2026
(cont'd)

Directors' Shareholdings
(Based on the Register of Directors' Shareholding)

Name of Directors	No. of Shares Held		% of Issued Share Capital	
	Direct	Deemed	Direct	Deemed
Lew Khim Khim	-	23,500,400(a)	-	23.50%
Grace Khoo Ting Ting	-	-	-	-
Tan Chin Kiat	-	-	-	-
Marissa Lee Sher May	-	-	-	-
Aminuddin Bin Mohd Arif	-	-	-	-
Chong Seng Yau	-	-	-	-
Ts Dr Nazry Bin Yahya	-	-	-	-

Notes:-
(a) Deemed interested by virtue of his substantial shareholding in SX Capital Sdn Bhd.

STATISTIC ON SHAREHOLDINGS
AS AT 6TH OCTOBER 2026
(cont'd)

The 30 Largest Shareholders

Name of Shareholders	No. of Shares Held	% of Issued Share Capital
1. CIMSEC Nominees (Tempatan) Sdn Bhd *(Account for SX Capital Sdn Bhd)*	23,500,400	23.50
2. UOB Kay Hian Nominees (Tempatan) Sdn Bhd Exempt an for UOB Kay Hian Pte Ltd	12,274,700	12.28
3. Puncak Intan Sdn Bhd	9,663,750	9.66
4. Kenanga Nominees (Tempatan) Sdn Bhd *(Account for Lee Vui Han @ Anthony Lee Vui Han)*	6,649,874	6.65
5. Ng Swee Ying @ Ng Sooi Ying	4,000,000	4.00
6. Kenanga Nominees (Tempatan) Sdn Bhd *(Account for Tan Siong Sun)*	3,024.000	3.02
7. Seah Sen Onn @ David Seah	3,018,000	3.02
8. Alliancegroup Nominees (Tempatan) Sdn Bhd *(Account for Sheldon Wee Tah Poh)*	3,000,000	3.00
9. CGS International Nominees Malaysia (Tempatan) Sdn Bhd *(Account for Teo Chee Haw)*	2,756,700	2.76
10. Johore Tenggara Oil Palm Berhad	2,740,000	2.74
11. Ng Chin Leong	2,500,000	2.50
12. Citigroup Nominees (Tempatan) Sdn Bhd *Exempt an for OCBC Securities Private Limited*	2.185.800	2.19
13. Ng Yee	2,052,300	2.07
14. Tan Siew Ting	1,550,000	1.55
15. Chew Leng Leng	1,500,000	1.50
16. Chua Kheng Khim	1,330,000	1.33
17. CIMB Group Nominees (Tempatan) Sdn Bhd *(Account for Lee Fook Long)*	1,150,000	1.15
18. RHB Nominees (Tempatan) Sdn Bhd *(Account for Sheldon Wee Tah Poh)*	1,100,000	1.10
19. Chua Kheng Khim	1,000,000	1.00
20. Lee Wan Kai	1,000,000	1.00
21. Teo Wee Cheng	1,000,000	1.00
22. Alliancegroup Nominess (Tempatan) Sdn Bhd *(Account for Harry Lee Vui Khiun)*	976,100	0.98

STATISTIC ON SHAREHOLDINGS
AS AT 6TH OCTOBER 2026
(cont'd)

The 30 Largest Shareholders (cont'd)

Name of Shareholders	No. of Shares Held	% of Issued Share Capital
23. Tee Keng An	750,000	0.75
24. Chua Kean Chuan	700,000	0.70
25. Chua Kean Kok	586,000	0.59
26. RHB Capital Nominees (Tempatan) Sdn Bhd *(Account for Harry Lee Vui Khiun)*	554,300	0.55
27. Chua Kean Eng	514,000	0.51
28. Beh Lian Yim	510,000	0.51
29. Lim Hoe Seng	501,000	0.50
30. Maybank Nominees (Tempatan) Sdn Bhd *(Account for Wong Wah Peng)*	494,800	0.49

SHH RESOURCES HOLDINGS BERHAD
Registration No: 199401018548 (304227-U)
(Incorporated In Malaysia)

FORM OF PROXY

I/We _____

of _____

being member/ members of SHH Resources Holdings Berhad, hereby appoint _____

of _____

or failing whom, _____

of _____

or failing whom, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company to be held at Ground Floor, Lobby 1, Crystal Plaza, No. 4, Jalan 51A/223, 46100 Petaling Jaya, Selangor Darul Ehsan on 2nd December 2026 at 10.30 a.m. and, at every adjournment thereof, on the resolutions indicated below:-

ORDINARY BUSINESS		**FOR**	**AGAINST**
Resolution 1	Payment for Directors' Fee for the period from date of the current Annual General Meeting to the next Annual General Meeting of the Company		
Resolution 2	Re-election of Lew Khim Khim		
Resolution 3	Re-election of Marissa Lee Sher May		
Resolution 4	Re-election of Aminuddin bin Mohd Arif		
Resolution 5	Re-election of Chong Seng Yau		
Resolution 6	Re-election of Dr Nazry bin Yahya		
Resolution 7	Re-appointment of Auditors		
SPECIAL BUSINESS			
Resolution 8	Authority to Issue Shares		
Resolution 9	Share Buy-Back Mandate		

Please indicate with [✓] how you wish your vote to be cast. (Unless otherwise instructed, the proxy may vote as he/she thinks fit). If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

CDS Account No.	
Number of Shares Held	
Member's contact number	

_____

Signature of Member(s)

Dated this _____ day of _____ 2026

Notes:-

1. *A proxy may but need not be a member of the Company pursuant to Section 334 of the Companies Act 2016.*
2. *A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.*
3. *The Form of Proxy shall be executed under the hand of the appointer or his/her attorney duly authorised in writing or if such an appointer is a corporation, under its common seal or under the hand of its attorney.*
4. *The Form of Proxy must be duly completed and deposited at the Registered Office of the Company at Lot 306, 3rd Floor, Tower 2, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur, Wilayah Persekutuan or submitted via email to agm2026@shh.com.my or lodged electronically via "Boardroom Smart Investor Portal" at https://investor.boardroomlimited.com not less than twenty-four (24) hours before the time set for holding of the 32nd AGM or any adjournment thereof as Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") requires all resolutions set out in the Notice of the 32nd AGM to vote by poll.*
5. *In the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the 32nd Annual General Meeting as his/their proxy, provided always that the rest of the form of proxy, other than the particulars of the proxy, have been duly completed by the member(s).*
6. *Only members registered in the Record of Depositories as at 25th November 2026 shall be eligible to attend the 32nd Annual General Meeting or appoint a proxy to attend and vote on his/her behalf.*
7. *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*

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Registered Office / Pejabat Berdaftar

SHH RESOURCES HOLDINGS BERHAD

Registration No. 199401018548 (304227-U)

Lot 306, 3rd Floor, Tower 2,
Faber Towers,
Jalan Desa Bahagia, Taman Desa,
58100 Kuala Lumpur,
Wilayah Persekutuan,
Malaysia

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SHH RESOURCES HOLDINGS BERHAD

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