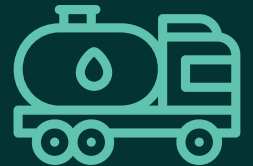




SAMCHEM HOLDINGS BERHAD

REGISTRATION NO. : 200701039535 (797567-U)

ANNUAL REPORT 2025



Financial Highlight

FY2025 remains to be a profitable year with RM26.7 million PBT despite global economic challenges.

RM1.11
billion
FY2025 Revenue

Group	2024	2025
Revenue <i>(RM'000)</i>	1,215,006	1,109,998
Profit Before Tax <i>(RM'000)</i>	26,531	26,692
Profit After Tax <i>(RM'000)</i>	19,953	19,225
Earnings Per Share <i>(sen)</i>	3.21	3.24
Net Assets Per Share <i>(sen)</i>	57.58	56.87
Dividend Per Share <i>(sen)</i>	2.40	1.60

Overview

Samchem has been in operation for more than 30 years and is a leading industrial chemical distributor in Malaysia and South East Asia.

Samchem supplies about 500 different petrochemicals and services to more than 7,000 clients from industries such as automotive, paints and inks, oil & gas, and agriculture – across the region.

Overview

Company Highlights 01

Management Discussions and Analytics

Executive Chairman's Statement 02

Management's Statement 06

Sustainability and Corporate Governance

Corporate Information 16

Corporate Structure 17

Directors' Profile 18

Corporate Governance Overview Statement 21

Sustainability Statement 26

Statement on Risk Management and Internal Control 66

Audit and Risk Management Committee Report 69

Additional Compliance Information 73

Financials

Directors' Report 76

Statements of Comprehensive Income 80

Statements of Financial Position 81

Statements of Changes in Equity 83

Statements of Cash Flows 86

Notes to the Financial Statements 89

Statement by Directors 134

Statutory Declaration 134

Independent Auditors' Report 135

Others

Particulars of Properties 138

Analysis of Shareholdings 140

Notice of Annual General Meeting 142

Statement Accompanying of the 19th Annual General Meeting 146

Proxy Form



Executive Chairman's Statement

Dear Valued Shareholders,
I am pleased to present to you our Annual Report for the financial year ended 31 December 2025 ("FY2025").

Phase 1 of Malaysia's new warehouse in Pulau Indah Industrial Park, Klang



Year in Review

The financial year 2025 unfolded against a backdrop of heightened macroeconomic and geopolitical uncertainty. The chemical distribution sector in Southeast Asia faced pronounced cyclical and structural headwinds during the year, with slower manufacturing activity in major export markets, prolonged customer destocking and excess global chemical capacity weighing on demand and pricing.

These challenges were exacerbated by uncertainty over U.S. tariff measures, which disrupted global trade flows, distorted sourcing decisions, and led customers to defer procurement and inventory commitments in response to rapidly shifting and uncertain cost structures. As a result, demand visibility weakened and volatility across supply chains increased, particularly for products linked to export-oriented manufacturing. At the same time, foreign exchange fluctuations, higher financing costs and rising regulatory and compliance requirements added further complexity to the operating landscape.

On the domestic front, amendments to the Sales and Services Tax (SST) implemented in the second half of the year expanded the scope of taxable goods and services, to cover certain chemical products. This development brought additional administrative and cost implications for industry participants and contributed to more cautious inventory management across the sector, with many market participants adopting a more measured approach to stocking levels.

Collectively, these factors shaped a challenging operating environment for the chemical sector throughout the year.

Against this backdrop, I am pleased to report that the Group remained resilient and continued to deliver stable earnings while strengthening its operational foundations.

Financial Performance

Revenue for the Group in FY2025 reached RM1.11 billion, compared to RM1.22 billion in FY2024. The decline in revenue was primarily attributable to significant pricing pressure across the chemical value chain, which resulted in a sharp decrease in average selling prices during the year.

Ng Thin Poh Executive Chairman ►

Despite these challenging market dynamics, the Group achieved sales volume growth of more than 9%, reflecting the strength of our diversified product portfolio, long-standing customer relationships, distribution capabilities and continued relevance within the markets we serve.

Notwithstanding the decline in product prices, the Group delivered a resilient earnings performance, recording profit before tax of RM26.7 million, slightly higher than RM26.53 million achieved in the preceding year. On the back of higher realised margins.

From a geographical perspective, Malaysia remained the Group's largest revenue contributor, accounting for approximately 48% of total Group revenue, followed by Vietnam at around 41%, Indonesia at 8%, and Singapore at 2%. Our Indonesia operations also recorded an improvement during the year, with losses narrowing to RM1.19 million compared to RM2.92 million in FY2024 as conditions gradually stabilised and our continuous efforts to expand portfolio diversity and customer coverage in the market.



Executive Chairman's Statement



Despite these challenging market dynamics, the Group achieved sales volume growth of more than 9%, reflecting the strength of our diversified product portfolio, long-standing customer relationships, distribution capabilities and continued relevance within the markets we serve.

Consequently, PATAMI for the Group remained stable at RM17.64 million for the financial year ended 31 December 2025, compared to RM17.47 million in the preceding year.

The Group maintained a strong balance sheet and healthy liquidity position, with cash and bank balances of RM79.52 million as at 31 December 2025. Operating cash flow remained robust at RM87.85 million, supported by improved working capital management. During the year, the Group also reduced its overall borrowings, underscoring our continued focus on prudent financial management and working capital discipline.

Reflecting the Board's confidence in the Group's long-term prospects, the Company continued to return value to shareholders through RM8.70 million in dividends declared during the year, representing a payout ratio of 49%. The Board continues to adopt a balanced approach between shareholder returns and strategic reinvestment to support long term growth.

Strengthening Infrastructure for Long-Term Growth

A key focus for the Group continues to be the strategic investment in infrastructure and logistics capabilities.

Over the years, we have steadily expanded our warehousing capacity, blending capabilities and logistics network across the region. These investments are designed to enhance supply chain reliability, improve service quality and strengthen our ability to support principals and customers in increasingly complex supply chains.

Beyond operational efficiency, these infrastructure investments also position the Group to participate in new revenue streams within the chemical supply chain, reinforcing our strategy of evolving from a traditional distributor into a fully integrated chemical solutions and logistics partner.

Sustainability and Corporate Governance

Sustainability and governance remain fundamental pillars of the Group's long-term strategy.

During the year, we continued to strengthen our environmental, social and governance (ESG) framework by enhancing environmental policies, expanding our portfolio of bio-based chemicals and implementing more robust sustainability performance indicators. Further details of these initiatives are presented in our Sustainability Report.

Our commitment to ethical business conduct and corporate integrity remains unwavering. We continue to refine our governance frameworks to ensure compliance with evolving regulatory requirements and industry best practices.

Importantly, we recognise that our employees are the driving force behind operational excellence and innovation, we have continued to invest in talent development programmes aimed at attracting, retaining and developing high-quality human capital.

By prioritising employee wellbeing, diversity and inclusion, we strengthen the resilience and adaptability of our organisation in a rapidly evolving business environment.

Looking Ahead

As we move into 2026, the operating environment is expected to remain challenging. At the time of writing, emerging geopolitical developments have introduced increased volatility in global oil markets, with potential implications for chemical pricing and supply chains in the months ahead. Whilst these conditions may present challenges, they also create opportunities for the Group as established regional distributors supported by our infrastructure and logistics capabilities, strong partnerships with producers and long-standing customer relationships.

The Group will continue to focus on strengthening partnerships with principals and customers, enhancing operational efficiency, and maintaining high standards of governance, safety, and

sustainability. Our continued investments in logistics, warehousing and supply chain capabilities reinforce our position as a trusted partner within the chemical value chain, while positioning the Group to capture opportunities arising from evolving regional supply chains.

The Board remains confident in the Group's long-term prospects. Southeast Asia continues to represent an attractive growth region for chemical consumption, supported by ongoing industrialisation and supply chain diversification. With our established regional footprint, disciplined operating approach and continued investments in infrastructure, the Group remains well positioned to benefit from future industry recovery and long-term demand growth.

Acknowledgments

On behalf of the Board, I would like to thank our management team and employees across the region for their dedication, adaptability and professionalism during a challenging year.

My heartfelt thanks also go to our Board of Directors for their guidance and strategic insights, which have played an important role in steering the Group through an ever-evolving business landscape.

I would also like to extend my deepest appreciation to our principals, customers, and business partners for their continued trust and support.

Finally, I would like to thank our shareholders for their continued confidence and support. Your trust in the Group remains a strong source of encouragement as we continue to build a resilient and sustainable business for the long term.

As we move forward, the Group remains committed to strengthening our operational capabilities, expanding our infrastructure platform and delivering sustainable long-term value to all stakeholders.

Ng Thin Poh
Executive Chairman



Management's Statement

" Dear Valued Shareholders, I am honoured to deliver the Management Statement for Samchem Holdings Berhad's FY2025 performance. "

► **Eugene Chong** *Chief Executive Officer*



Business environment and performance for the year in review fell largely within expectations with continued feeble market demand. Net profit before tax (NPBT) for the Group grew marginally by 1% on the back to lower revenue of RM1.11 billion compared to FY2024.

The Ringgit had strengthened against the greenback in the past year which has in turn impacted local selling prices. Erratic and unpredictable foreign exchange movements continue to be a challenge and key factor to our bottom-line performance.

Business Activities



Integrated Chemicals Distribution

The core business of the Group is in Distribution of Chemicals that are used in various industries including automotive, manufacturing, paint and coating, foaming, agriculture, household (detergents, stain removers, multi-purpose cleaners), construction, oil & gas and even in personal care & grooming (deodorant, mouthwash, shampoo, hair gel, toothpaste, cosmetics, nail polish). Samchem Group delivers solid results because of our diversified business strategy across numerous industries, markets and expansion of product portfolio and agencies.

Samchem represents, amongst others, ExxonMobil Chemical, Petronas, BASF and Aster Chemicals, the largest producers of petrochemicals in this region. In the ensuing 30-odd years since its founding, Samchem has expanded out to other ASEAN countries, acquired a wider range of products for distribution, including specialty premium chemicals, and established a vast network of customer base for mutual business growth and benefit with these principals.

Besides distribution of basic and intermediate chemicals from the major petrochemical producers, Samchem distributes for a large number of specialty chemical manufacturers (Momentive, Idemitsu, Eneos, Arkema, Rohm, Shin-Etsu, Borchers, Afton, etc.). These higher end, high premium products are used in industries such as paints & coatings, polyurethane foam (for mattresses, car seats), automotive, printing ink, construction, agriculture, adhesives, industrial cleaning, household and personal care, electronics, oil & gas and many more.

The addition of inorganic chemicals into our portfolio extends our reach to the wider scope of the market, further cementing our position as the preferred integrated chemicals distributor. Its application in industries such as glove manufacturing, paints & coatings, printing ink, adhesives, plastics, industrial cleaning, tiles & paving, road markings, semiconductors and many more.

In addition to chemical distribution, the Group also offers integrated value-added services in the distribution chain including warehousing, bulkbreaking, blending and logistics. More and more companies are outsourcing their blending processes and Samchem's facilities has the capacity to meet these needs. The establishment of SC Udes Sdn Bhd also enhances our infrastructure network with the penetration into the bulk chemical transportation business, further complementing our packaged chemical transportation business via cargo trucks covered by Samchem Logistics Services Sdn Bhd.

Authorised Distributorship for Shell Lubricants

In 2016, Samchem Lubricants was appointed an authorised B2B distributor for Shell's range of lubricants in the East Coast states of Pahang, Terengganu and Kelantan. Warehouses were immediately set up in Kuantan and Kota Bharu to be closer to the major industrial clusters in these 2 states.

In 2017, the distributorship was extended to cover the Northern states of Perlis, Kedah, Penang and Perak. Samchem Lubricants effectively distributes products to the Northern half of Peninsular Malaysia, supported by existing Samchem operations in Ipoh and Penang. With additional manpower, both operations were re-located to bigger premises and warehouses to accommodate sales and sales support personnel and storage requirements.

On 1 July 2020, the distributorship was extended even further to the Central region to cover Selangor, Kuala Lumpur and Putrajaya. These expansion of territories in that timespan are testimony of our commitment to our Principals and in-depth knowledge of the markets that we serve. Consistent volume growth over the past few years has resulted in the effective expansion of local market share.

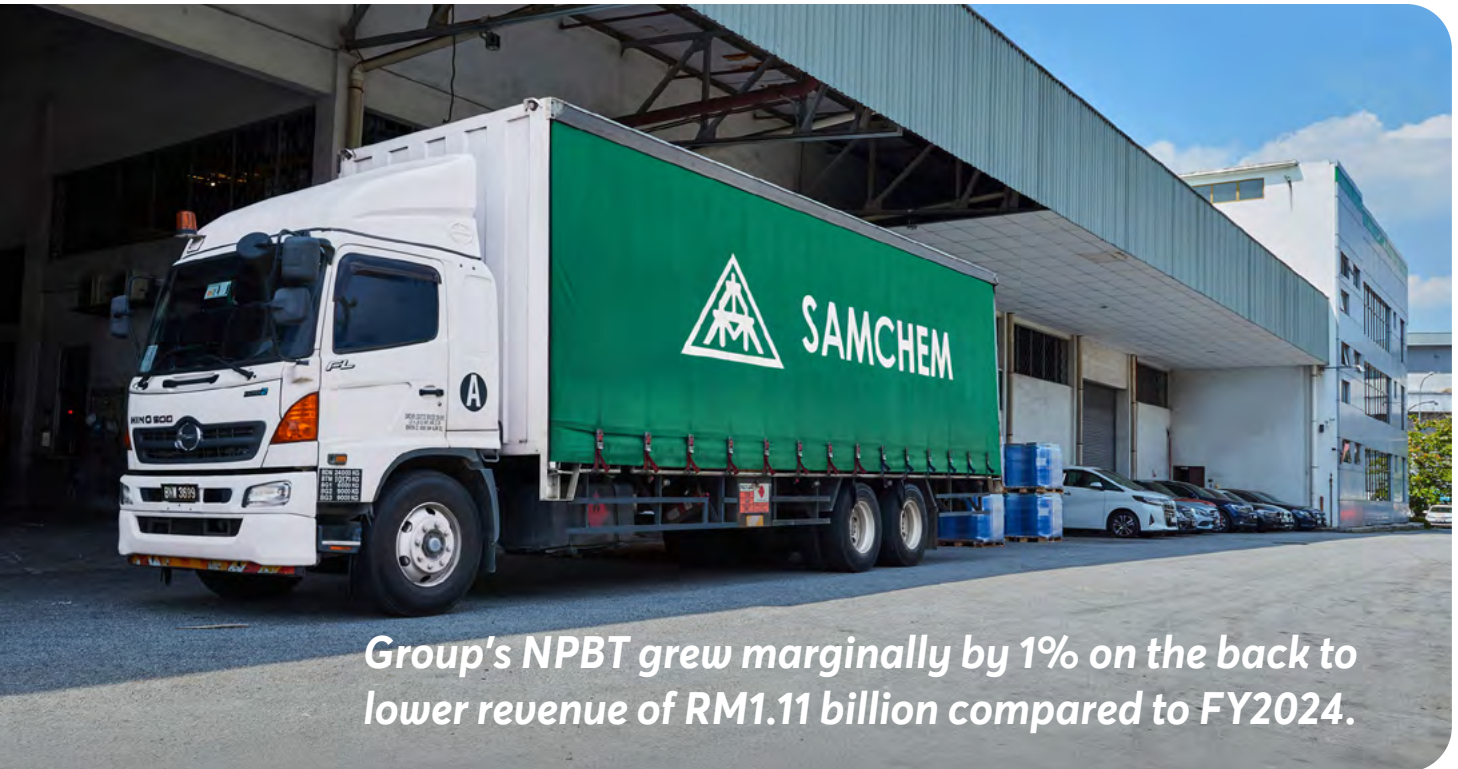
Samchem's Logistics Arm

Samchem Logistics Services Sdn Bhd (SLS) was established in 2007 with the aim to provide swift and reliable last mile delivery services to its customers. Starting with just 5 trucks, SLS has multiplied its fleet to more than 45 trucks today plying the entire Peninsular Malaysia as well as Singapore.

In 2020, the scope of services of our logistics arm expanded considerably with the establishment of SC Udes Sdn Bhd to provide bulk liquid transportation for dangerous goods (DG cargoes) with 22 Isotank trucks. Our logistics capabilities further strengthened with the acquisition CKJ Logistics Sdn Bhd in 2024, also offering bulk liquid transportation services to customers and principals alike, with more than 50 trucks.



Management's Statement



Group's NPBT grew marginally by 1% on the back to lower revenue of RM1.11 billion compared to FY2024.

Our stringent requirements on Health, Safety and Environment (HSE) policies and standards in an increasingly regulated industry is key to securing more contracts from the market especially multinational companies.

Reinforced by our existing infrastructures throughout the nation, our logistics arm is rapidly emerging as the desired logistic service provider, consistent with our vision to be the preferred distribution and solutions provider in the chemical and lubricant supply industry.



Technical & Development (T&D) Division for Market Development

The T&D division supports sales of specialty chemicals, facilitating the introduction of premium grades either as an upgrade or product replacement as well as in market creation (with technical support from principals). The T&D division plays a crucial role in the Group's sustainability in the chemical distribution business, augmenting the Group's earnings in the premium products sector as Samchem intensifies effort to become a major Specialty Chemicals player in the domestic and regional market. Complementing these endeavours are the establishment of 1 application and 2 quality control laboratories to reinforce market development efforts.

Besides this core activity, the division also oversees regulatory requirements such as Material Safety Data Sheets, compliance to the GHS (Globally Harmonised System of Classification and Labelling of Chemicals), as well as ensures the company's chemicals sales activities comply with all of the regulations and laws pertaining to the business.

Performance Overview

The Group garnered earnings of RM26.7 million in NPBT versus RM26.53 million for FY2024, representing an increase of 1%. Meanwhile revenue for the Group stands at RM1.11 billion, down by 9% compared to the preceding year's RM1.22 billion.



The Malaysian segment registered a 14% increase in NPBT from RM17.37 million in FY2024 to RM19.83 million while revenue dropped from RM607.92 million to RM537.63 million, down 12%.

Whereas at Indonesia, losses before tax narrowed from RM2.92 million in the preceding year to RM1.19 million. Revenue also expanded from RM70.35 million in FY2024 to RM88.05 million, representing an increase of 25%.

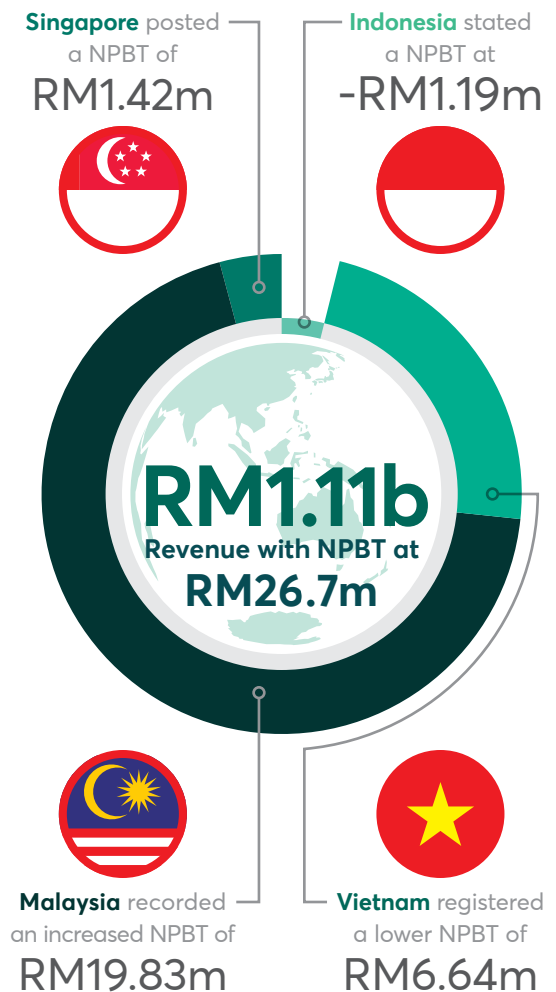
The Vietnam business racked in RM460.25 million in total revenue and NPBT of RM6.64 million against FY2024's revenue RM508.64 million and NPBT of RM9.96 million. Compared to FY2024, revenue is 10% lower and NPBT dipped 33%.

Revenue at the Singapore business stood at RM24.06 million, representing a decrease of 14% against FY2024 while NPBT was posted at RM1.42 million, down 33% versus RM2.13 million in FY2024.

Our continued investments into our logistics arms to increase our fleet of Isotank and cargo trucks in Malaysian operations is consistent with our Vision to be the preferred distribution and solutions provider not only to our customers; we also create strong cooperation and value-added synergies with our business partners operating manufacturing plants in Malaysia.

The addition of blending operations in Indonesia to produce customised products for specific applications in the local industries will create additional revenue pipeline and at the same time further enhance our value-added services to the market there. It is also a necessary step as we prepare ourselves for the next wave of economic cycle.

Strategic expansion of the business will absolutely continue for us to achieve our greater goal to be the leading chemical distributor in South East Asia.



Management's Statement



Future Outlook

Ongoing consolidation among players in the chemical distribution business has intensified at a faster pace due to unfavourable business environment as well as higher costs to serve. Meanwhile SMEs face heavily pressurised margins, prompting the exit of uncompetitive players. Samchem will continue to secure opportunities in mergers and acquisitions (M&A) to strengthen and enhance our position in the market by providing a more comprehensive product portfolio.




Continued uncertainties stemming from the imposition of import tariffs remain to be a business hurdle to global manufacturers and exporters alike. In contrast, South East Asian nations have benefited from US tariffs which has resulted in high energy costs in European countries. This has made manufacturing to be unviable and hence triggered consolidation of production activities in the ASEAN region. Samchem's extensive investments in South East Asian nations positions her as a potential beneficiary of the situation.

Chinese manufacturers continue to be a major influence in the inorganic chemicals market and this has enabled Samchem Inorganic Chemicals Sdn Bhd to secure several key Chinese supplier sources and initiate negotiations for extended business opportunities to be rolled out to the South East Asian market.

Forex volatility, high business risk and high overheads will continue to be key factors to dampen profitability. Samchem's Management will step up efforts such as marketing, strategic investment and talent acquisition while supported by our established infrastructure and capabilities to rein in uncertainties and overcome the challenges faced.



Average selling prices (ASP) are expected to be volatile with excess supply persistently constraining and suppressing the industry. As a consequence, chemical markets around the world have initiated its supply rationalisation exercise which is expected to rollover into 2027.

-  The South Korean government has initiated a necessary but painful rationalisation exercise in the petrochemical industry to counter falling profits, oversupply and intense competition.
-  Japan's rationalisation involves massive consolidation of its plants to cut production outputs by 2028 citing intense competition and weak demand as its motivations. Older and less efficient plants are expected to be put out of commission.
-  Structural overcapacity and chemical industry "involution" in China have prompted her to take affirmative steps to transition towards high-end, green, and specialised chemical manufacturing. Technological advancements in artificial intelligence, robotics, semiconductors, and electric vehicles demands specialised high-end materials, including chemicals.

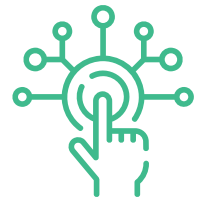
Business Sustainability

Samchem's business and work ethics adhere to proper business practices and are in compliance with all applicable laws and regulations. Samchem has in place an Anti-Bribery & Corruption Policy which is supplemented by its Whistleblowing Policy to prevent corrupt practices and foster a culture of transparency, integrity and ethical behaviour in our business dealings. Samchem's work locations observe Health, Safety and Environment (or HSE) principles to ensure workers' wellbeing and the environment is taken care of. Samchem is a signatory to Responsible Care® (in Malaysia), a global initiative by the chemical industry's desire to improve health, safety and environmental performance.

HSE management system an integral part of our business considerations as demonstrated by several initiatives undertaken in 2023. More activities and programs will be rolled out to create a safer and cleaner working environment to safeguard our people and environment. Corporate social responsibility endeavours will also continue in order to play our part to give back to the society that we thrive in.

2025 Activities

On 24 October 2025, Samchem Lubricants Sdn Bhd participated with Shell in the 3-day Asia International Commercial Vehicle Expo (AICOVE) event to promote brand awareness, strengthen industry presence and engage with potential customers and business partners.



Management's Statement



Corporate Social Responsibility

The Group organised its customary communal activity towards conserving nature on 12 July 2025 through a tree planting programme at Paya Indah Wetlands, Selangor. The family-oriented event was also joined by the children of several staff members at the same time educating them the importance of preserving our green spaces in an increasingly concrete world.





Samchem firmly believes in giving back to the society and the community that we are in as proven in the social activities throughout the years. In mid-November 2025, Samchem Lubricants Sdn Bhd conducted 2 charity contribution sessions at Persatuan TCM Harapan Baru Ipoh, Perak, where food and essential items were distributed to the less fortunate as part of our community support initiative.







Malaysia Nature Society Mangrove Tree Planting Programme

For this year's Mangrove Tree Planting Programme, the Group decided to contribute to the Matang Mangrove, located in Taiping on 25 October 2025. Mangroves protect shorelines from damaging storm and winds, waves and floods. Mangroves also help prevent erosion by stabilising sediments with their tangled root systems, filtering pollutants and trapping sediments originating from land. The diminishing mangrove forest across Selangor's coastal areas is worrying as fishermen have seen drop in income because of lower catch of fish and cockles; the dwindling catch is a result of the polluted waterways of the rivers and coastline.

Recent studies have shown that mangroves can also function as a carbon sink that can stow away four times more carbon than rainforests can. Most of this carbon is stored in the soil beneath mangrove trees.

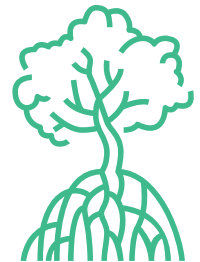
The objectives of this program are to develop effective protection and/or rehabilitation of mangrove ecosystems, to respond to climate change and to mitigate its effects through the protection and rehabilitation of mangrove ecosystems. By increasing mangrove cover, it contributes to overall coastal sustainability.

Appreciation

I would like to give my wholehearted thanks to the management team and staff for their unreserved dedication and hard work in achieving the excellent 2025 performance. My appreciation also goes out to members of our esteemed Board of Directors, customers and business partners for their unrelenting support and trust in the Samchem brand. We shall continue to improve performance and bring superior value to both our shareholders and stakeholders.

Eugene Chong

Chief Executive Officer



Corporate Information

Board of Directors

Ng Thin Poh

Executive Chairman

Ng Ai Rene

Executive Director

Cheong Chee Yun

Executive Director

Lok Kai Chun

Independent Non-Executive Director *(Resigned on 28 February 2026)*

Dato' Razali Basri

Independent Non-Executive Director

Hor Wai Kong

Independent Non-Executive Director

Wong Yee Ming

Independent Non-Executive Director *(Appointed on 2 January 2026)*

Audit and Risk Management Committee

Hor Wai Kong

Chairman

Dato' Razali Basri

Lok Kai Chun *(Resigned on 28 February 2026)*

Wong Yee Ming *(Appointed as ARMC member on 28 February 2026)*

Remuneration Committee

Dato' Razali Basri

Chairman

Hor Wai Kong

Lok Kai Chun *(Resigned on 28 February 2026)*

Wong Yee Ming *(Appointed as RC member on 28 February 2026)*

Nomination Committee

Lok Kai Chun

Chairman *(Resigned on 28 February 2026)*

Dato' Razali Basri

Chairman *(Redesignated as Chairman of NC on 28 February 2026)*

Hor Wai Kong

Wong Yee Ming *(Appointed as NC member on 28 February 2026)*

Company Secretary

Wong Youn Kim (F)

(MAICSA 7018778)

SSM PC No.: 201908000410

Lee Chin Wen (F)

(MAICSA 7061168)

SSM PC No.: 202008001901

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Fax: 03-5740 2101

E-mail: inquiry@samchem.com.my

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Selangor Darul Ehsan

Tel: 03-5740 2000

Fax: 03-5740 2101

Website: www.samchem.com.my

E-mail: inquiry@samchem.com.my

Share Registrar

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Tel: 03-7784 3922

Fax: 03-7784 1988

E-mail: binawin@binamg168.com

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Baker Tilly Monteiro Heng PLT

Baker Tilly Tower, Level 10, Tower 1

Avenue 5, Bangsar South City

59200 Kuala Lumpur

Solicitors

Justin Faye & Partners

Adnan Sundra & Low

Principal Bankers

Malayan Banking Berhad

Hong Leong Bank Berhad

United Overseas Bank Berhad

Citibank Berhad

Stock Exchange Listing

Main Market

Bursa Malaysia Securities Berhad

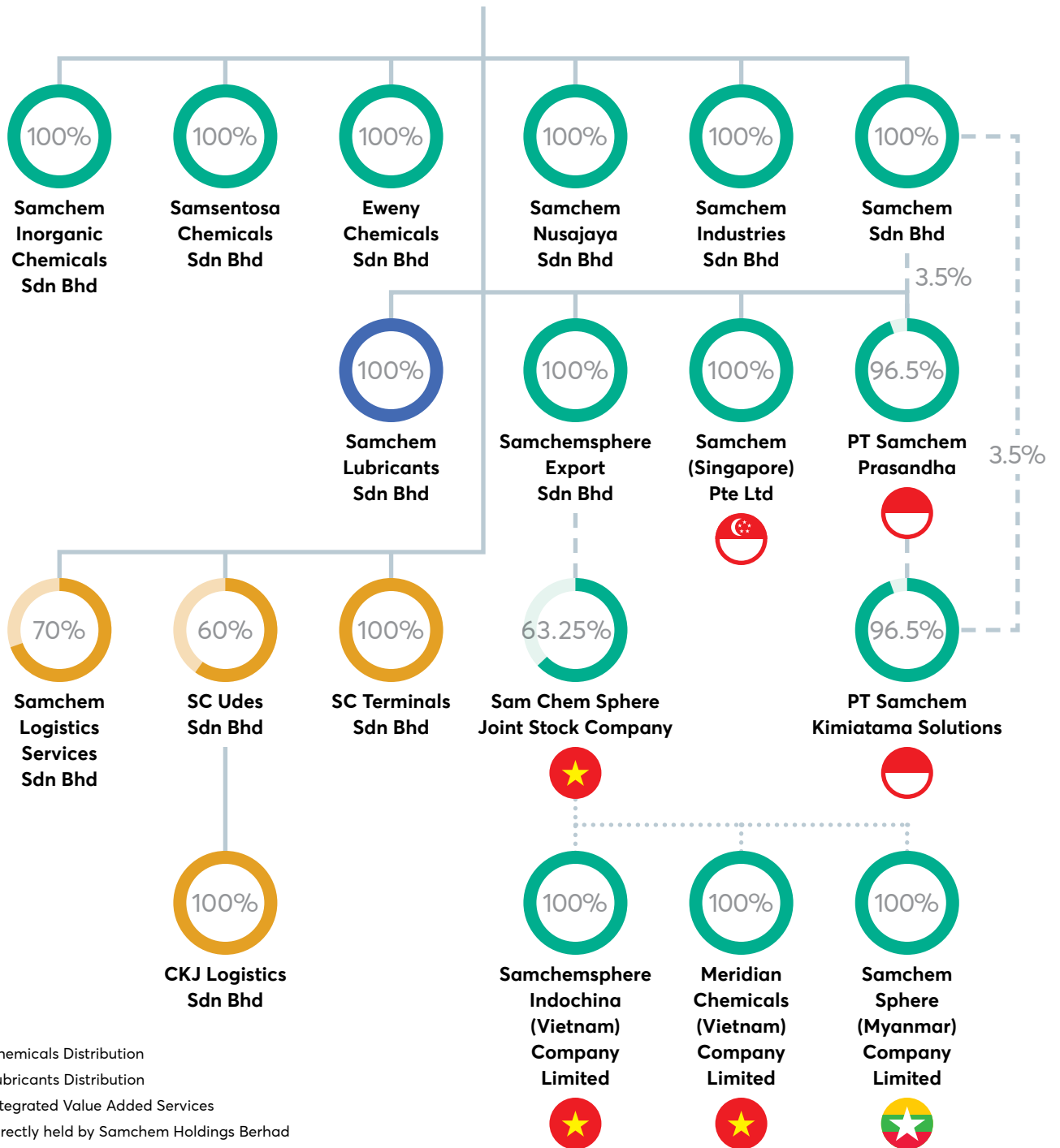
Stock Name: SAMCHEM

Stock Code : 5147

Corporate Structure



SAMCHEM HOLDINGS BERHAD



- Chemicals Distribution
- Lubricants Distribution
- Integrated Value Added Services
- Directly held by Samchem Holdings Berhad
- Held by Sam Chem Sphere Joint Stock Company

Director's Profile



Ng Thin Poh
Executive Chairman

Ng Thin Poh, a Malaysian aged 68, has been re-designated as our Executive Chairman effective 1 March 2014. He graduated with a Bachelor of Science (Honours) degree, majoring in chemistry, from University of Malaya in 1981. Upon graduation, he started his career in chemical distribution as a Sales Executive in Texchem Malaysia Sdn Bhd. In 1982 and 1983, he was a Sales Executive in Jebsen & Jessen (M) Sdn Bhd and Rhone-Poulenc Sdn Bhd respectively, of which both companies are distributors of chemicals. In 1989, he left Rhone-Poulenc Sdn Bhd and founded SCSB.

Ng Ai Rene, a Malaysian aged 41, was appointed to the Board as a Non-Independent Non-Executive Director on 10 November 2017. She joined the Board as an Executive Director on 20 February 2019.

She graduated with a Bachelor of Laws (LLB) from The University of Melbourne, Australia in 2008 and was admitted to the Supreme Court of Victoria, Australia as a solicitor in 2009. Thereafter she obtained the Certificate of Legal Practice in Malaysia in 2010.

She commenced her legal career in Malaysia as a pupil in Skrine in February of 2011 and was admitted as an Advocate and Solicitor of the High Court of Malaysia on 9 March 2012. She left Skrine in 2015 and continued legal practice in Abdullah Chan & Co, Ai Rene & Co, Putri Norlisa Chair and Kesavan, focusing on corporate and commercial law and has advised and acted in various mergers and acquisitions and business restructuring across a wide range of industries. She left the legal profession on 19 February 2019 to take up the appointment as an Executive Director of Samchem Holdings Berhad.

Ng Ai Rene is the daughter of Ng Thin Poh, the Executive Chairman of Samchem Holdings Berhad.



Ng Ai Rene
Executive Director



Cheong Chee Yun
Executive Director

Cheong Chee Yun, a Malaysian aged 65, was appointed as Independent Non-Executive Director of Samchem Holdings Berhad on 17 August 2012 but has since been appointed and redesignated as an Executive Director on 1 August 2022. He is a Chartered Accountant member of the Malaysian Institute of Accountants, a member of the Certified Practising Accountant Australia (CPA Australia) and also a member of the Asian Institute of Chartered Bankers.

In the year 1985, he graduated with a Bachelor of Accounting (Hons) from University Malaya. In the same year, he started his career as an executive officer with RHB Bank Berhad (formerly known as D&C Bank). He was involved in all branch operational aspects, corporate banking, trade financing and international banking matters and last held a managerial position. Thereafter, he joined a PC assembly and monitor manufacturer, KT Technology Sdn Bhd as Financial Controller in the year 1998. He then joined a software development and system integration company known as Object Solutions Sdn Bhd as director in the year 1999. In the year 2001, he joined Saferay (M) Sdn Bhd, a manufacturer and exporter of architectural mouldings as an operation director. In the year 2003, he was also appointed as a non-executive director in CS Opto Semiconductors Sdn Bhd but had resigned in the year 2012. In the year 2006, he was appointed as operational director in Eastmont Sdn Bhd, a building construction services company. He has since resigned in November 2018.

In year the 2012, he joined Enco Holdings Sdn Bhd, a biomass thermal energy solutions provider as Head of Finance & Corporate Affairs and is now an Executive Director of the company. He is also a Non-Executive Director of Kencana Bio Energy Pte Ltd, Singapore (now known as Enco Power Pte. Ltd., Singapore) a biomass power generation holding company. Moreover, he currently holds the post of Independent Non-Executive Director for Innity Corporation Berhad.

Dato' Razali Basri, aged 69, retired with the rank of Deputy Commissioner of Police (DCP) on 12 March 2018, after 36 years of service in various branches of the Royal Malaysia Police (RMP). He also served four years on secondment to the Ministry of Home Affairs in Putrajaya as one of the pioneering members of the Prevention of Crime Board, a statutory body established under the Prevention of Crime Act 1959 (POCA). Prior to his retirement, he was the Head of the Inspector-General of Police's Legal Division at Bukit Aman, a position he held for more than five years.

Following his retirement, Dato' Razali has been serving as a board member of GAMA Supermarket & Departmental Store, Penang, and as chairman of the Residents' Association at Durian Tunggal, Melaka, where he resides. Since 2018, he has been a member of the executive committee of the Retired Senior Police Officers' Association of Malaysia (RESPA) and currently serves as its deputy president. In October 2025, he was appointed as a director of a company managing the operations of Kuala Lumpur International Hotel (KLIH) in Kuala Lumpur.

A native of Taiping, Perak, Dato' Razali received his early education at King Edward VII School, Taiping. He holds a diploma in Strategic Studies from the University of Malaya and later read law at the University of Wales, Cardiff, United Kingdom.

Upon his appointment as an Independent Non-Executive Director of Samchem Holdings Berhad, he brings extensive experience in crime and legal matters, law enforcement, security management, and governmental administration at the ministerial level, gained through his distinguished service with the RMP and the Ministry of Home Affairs.



Dato' Razali Basri
Independent
Non-Executive Director

Director's Profile



Hor Wai Kong
Independent
Non-Executive Director

Hor Wai Kong, a Malaysian aged 67, was appointed to our Board as our Independent Non-Executive Director on 1 December 2021.

He is a member of The Malaysian Institute of Certified Public Accountants and also a member of The Malaysian Institute of Accountants.

He was in the public accountants practice for more than 10 years. He was involved in the audits of major trading & manufacturing companies, financial institutions, stockbroking and properties development companies. He has also been involved in tax planning and receivership assignments whilst with the public accountant's firm.

After his tenure with the public accounting firm, he was with Petroliam Nasional Berhad ("Petronas") for about 25 years. Whilst in Petronas, he was involved in corporate finance as well as merger & acquisition projects.

He was seconded by Petronas as the Chief Financial Controller of two joint venture chemical companies (BASF AG from Germany, and The Dow Chemical Company from USA) for about 10 years.

After the secondment, he returned to Petronas as the General Manager, Corporate Finance Downstream Business Division. Apart from being responsible for the downstream business corporate finance projects, he was also responsible for the implementation of GST for the downstream companies. He retired from Petronas in 2016.

Notes

- i. Ng Thin Poh and Ng Ai Rene are father and daughter. Other than the above, none of the Directors has any family relationship with each other and with any substantial shareholders of the Company.
- ii. None of the Directors has any conviction for offences, other than traffic offences, within the past 10 years.
- iii. Other than the related party transactions disclosed in Note 26 of the Financial Statements, none of the Directors has conflict of interest with the Company.
- iv. Except as disclosed above, none of the Directors holds any directorship in other public companies.
- v. The Directors' holdings in shares of the Company are disclosed in the Analysis of Shareholdings section of the Annual Report.

Wong Yee Ming, a Malaysian aged 45, was appointed to the Board of Samchem Holdings Berhad on 2 January 2026 as an Independent Non-Executive Director.

He holds a Bachelor of Arts in Marketing with Economics and Financial Management from Middlesex University, London, obtained in 2003.

Mr. Wong began his career with Standard Chartered Bank as a Management Trainee before joining Malinta Corporation Sdn. Bhd., where he was involved in financial planning and project coordination for large-scale property developments, including Selangor Dredging Berhad's maiden housing project, Aman Sari in Puchong, and Perdana ParkCity's SAFA development in Desa ParkCity.

In 2007, he joined CIMB Investment Bank Berhad as a Credit Analyst in the Credit & Operational Analytics (CORA) unit under Group Treasury. During his tenure, he was responsible for corporate/issuer credit risk assessment, counterparty risk management, and Basel 2 Internal Ratings Based (IRB) model implementation. In 2009, he was seconded to CIMB Niaga, Indonesia, where he played a role in treasury integration and risk framework alignment following the CIMB Group's acquisition of CIMB Niaga. He concluded his tenure at CIMB Investment Bank in 2012 as Vice President, CORA.

Subsequently, Mr. Wong joined CBSA Berhad (later renamed PanPages Berhad) as a Non-Independent Non-Executive Director, where he advised the Board on treasury matters, foreign currency receivables management dollar receivables including Google, arising from PanPages' South-East Asian operations during the early development phase of Google Maps in the region.

Mr. Wong returned to Malinta Corporation Sdn. Bhd. in 2016 and currently oversees financial planning, cashflow management, and capital allocation for multiple clients and projects, including those undertaken for IJM Land Berhad, GuocoLand Berhad, Gamuda Land Berhad, and Tropicana Corporation Berhad.

He does not hold any directorship in other public listed companies and has no family relationship with any Director and/or major shareholder of the Company.



Wong Yee Ming
Independent
Non-Executive Director

Corporate Governance Overview Statement

This Corporate Governance Overview Statement is presented pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad ("Bursa Securities"). The objective of this statement is to provide an overview of the application of the corporate governance practices of the Group during the financial year ended 31 December 2025 with reference to Board Leadership and Effectiveness, Effective Audit and Risk Management and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders as set out in the latest Malaysian Code on Corporate Governance (MCCG).

The Board has also provided specific disclosures on the application of each Practices in its Corporate Governance Report (CG Report). This CG Report was announced together with the Annual Report of the Company on 30 April 2026. Shareholders may obtain this CG Report by accessing this link <https://www.samchem.com.my> for further details and are advised to read this overview statement together with the CG Report.

Except for the practices of gender diversity policy and integrating reporting framework, the Board has in all material aspect complies with the Practices as set out in the MCCG. The explanation for the departed practices are reported in the announced CG Report in Practices 4.4, 5.9, 5.10, 12.2 and 13.3 respectively.

Principle A: Board Leadership and Effectiveness

I. Board Responsibilities

The Board continues to ensure its effectiveness and to provide strong leadership to the Group and Management. In order to ensure that business is being properly managed, the Board is entrusted to overseeing the overall management of the business affairs of the Group, perform periodic review of the financial results and overseeing the conduct of the business.

The Board is mindful of the importance of the establishment of clear roles and responsibilities in discharging its fiduciary and leadership functions including those reserved for the Board's approval. The Board has defined its Board Charter and schedule of matter setting out the roles, duties and responsibilities of the Board, the principles and practices of corporate governance to be followed as well as the key matters reserved for the Board's approval. The Board Charter and Schedule of Matter are published on the Company's website at <https://www.samchem.com.my>.

The Chairman is responsible for instilling good governance practices, leadership and effectiveness of the Board.

The Board has established the following Committees, namely Audit and Risk Management Committee, Nomination Committee and Remuneration Committee to assist it in discharging its duties and responsibilities effectively. The terms of reference of each Board Committee are available on the Company's website at <https://www.samchem.com.my>. These Committees have the authority to examine particular issues and report to the Board with their recommendations. However, the ultimate responsibility for the final decision on all matters lies with the entire Board.

The Board has established the Code of Conducts and Ethics and Whistleblowing Policy in the Company's website and has published the same at <https://www.samchem.com.my>. Internally, the Board communicates the Code of Conducts and Ethics and Whistleblowing Policy to staff members through the Human Resource Department so that all staff members are clear on what is considered acceptable behaviour and practice in the Company and the policies and procedures on whistleblowing.

The Board is assisted by two (2) qualified and competent Company Secretaries. Both Company Secretaries are members of Malaysian Institute of Chartered Secretaries and Administrators. The Company Secretaries advise the Board, particularly with regards to compliance with regulatory requirements, guidelines, legislations and the principles of best corporate governance practices. All Directors have unrestricted access to the advice and services of the Company Secretaries. The appointment and removal of Company Secretaries or Secretaries of the Board Committees can only be made by the Board.

Further information of the roles and responsibilities carried out by the Company Secretaries during the financial year ended 31 December 2025 are set out in Practice 1.5 of the Company's CG Report.

Supply, timeliness and quality of the information affect the effectiveness of the Board to oversee the conduct of business and to evaluate the Management's performance of the Group. Board papers are distributed to Directors with sufficient notice prior to Board meetings to enable the Directors to review and consider the agenda items to be discussed and where necessary, to obtain further explanations in order to be fully briefed before the meeting.

Corporate Governance Overview Statement

All Board members have unrestricted access to timely and accurate information in furtherance their duties and subject to Board's approval may seek independent professional advice, when necessary, in discharging its various duties, at the Company's expense.

The Company Secretaries ensure that all Board and Board Committees' meetings are properly convened. The Company Secretaries will ensure that accurate and proper records of the proceedings and resolutions passed are recorded and the minutes are circulated to the Board members as soon as possible before the next meetings.

The underlying factors of directors' commitment to the Company are devotion of time and continuous improvement of knowledge and skill sets.

The Board meets at least once every quarter and additional meetings are convened as and when necessary. During the financial year, five (5) Board meetings were held. The record of attendance is as follows:

Directors	Number of Meetings attended by Directors during the tenure in office
Ng Thin Poh	5/5
Ng Ai Rene	5/5
Cheong Chee Yun	5/5
Hor Wai Kong	5/5
Dato' Razali Basri	5/5
Lok Kai Chun (<i>resigned on 28 February 2026</i>)	5/5
Wong Yee Ming (<i>appointed on 2 January 2026</i>)	—

Save for Mr. Cheong Chee Yun, none of the Directors hold directorship in other listed company.

The Directors are aware of their duty to undergo appropriate training from time to time to ensure that they are equipped to carry out their duties effectively. The Board is mindful therefore of the need to keep abreast of changes in both the regulatory and business environments as well as with new developments within the industry in which the Group operates.

During the financial year ended 31 December 2025, the external training programmes and seminars attended by the Director are as follows:

Directors	Courses / Seminar / Conference
Ng Thin Poh	ESG Awareness Briefing
	Sustainability Reporting Essentials
	Greenhouse Gas (GHG) Inventory & Reporting
Ng Ai Rene	ESG Awareness Briefing
	Sustainability Reporting Essentials
	Greenhouse Gas (GHG) Inventory & Reporting
	Anti-Corruption & Bribery Policy Briefing
Cheong Chee Yun	ESG Awareness Briefing
	Sustainability Reporting Essentials
	Greenhouse Gas (GHG) Inventory & Reporting
	Anti-Corruption & Bribery Policy Briefing
	IFRS Sustainability Disclosure Standards: IRFS S1 & S2
	Webinar on Stamp Duty In Malaysia – Recent Amendments & Managing Stamp Duty Audit
	Climate Currency – Your place in the Malaysian Carbon Market
	FMM Seminar on Navigating Sales & Services Tax (SST) Expansion
	Webinar on SST Expansion in Malaysia – Key Business Concerns
	Webinar on Decoding Tax measures in 2026 Budget
Hor Wai Kong	ESG Awareness Briefing
	Sustainability Reporting Essentials
	Greenhouse Gas (GHG) Inventory & Reporting
	Percentage Ratios Made Easy
	Related Party Transactions Simplified
Dato' Razali Basri	ESG Awareness Briefing
	Sustainability Reporting Essentials
	Greenhouse Gas (GHG) Inventory & Reporting
Lok Kai Chun (<i>resigned on 28 February 2026</i>)	ESG Awareness Briefing
	Sustainability Reporting Essentials
	Greenhouse Gas (GHG) Inventory & Reporting
	E-Invoicing in Malaysia: Introduction & Implementation

II. Board Composition

The Board is satisfied with the current composition of the Board in providing a check and balance in the Board as well as diversity of perspectives and views in Board's decision-making process. Presently, the Board consists of Executive and Non-Executive Directors with a mixture of suitably qualified and experienced professionals. The Board is comprised of six (6) members, where half of the Board are Independent Non-Executive Directors. The Company fulfills Practice 5.2 of the MCCG which it requires non-large company to have at least half of the Board members comprised of Independent Directors.

Annually, the Nomination Committee would review the independence of the Independent Directors. Criteria for assessment of independence are based on the requirements and definition of "independent director" as set out in the MMLR. Each Independent Director is required to confirm their independence by giving the Board a written confirmation of their independence. In addition, consideration would also be given to assess whether the Independent Directors are able to meet the minimum criteria of "fit and proper" test of Independence, which is part of an annual assessment test, as enumerated in the Policy on appointment and continuous assessment of Directors and the suitability and ability of the Independent Non-Executive Director to perform his duties and responsibilities effectively shall be based on his calibre, qualifications, experience, expertise, personal qualities and knowledge of the Company and industry.

In accordance with the Board Charter, the maximum tenure of an Independent Non-Executive Director shall not exceed the cumulative term of nine (9) years from the date of first appointment as Director or upon the expiry of the on-going term of appointment as Director whichever is the later. Any extension beyond nine (9) years will require Board justification and shareholder approval unless the said Director wishes to be re-designated as Non-Independent Non-Executive Director which shall be a consideration for the Board to decide.

The Board presently does not have a formal gender diversity policy, and will strive to achieve the right balance of diversity over time, taking into account the size of the Board, the requirements of competencies, skills and experience of candidates. The Board currently has a female Executive Director among the six (6) Directors on the Board.

The appointment of Board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. The current diversity in the ethnicity, age distribution and skillsets of the existing Board is as follows:

	Race/Ethnicity				Nationality		Gender	
	Malay	Chinese	Indian	Others	Malaysian	Foreign	Male	Female
Number of Directors	1	5	—	—	6	—	5	1
Top Three Senior Management	—	3	—	—	3	—	2	1

	30-39 years		40-49 years		50-59 years		60-69 years	
	Age Group	30-39 years	40-49 years	50-59 years	60-69 years	Age Group	30-39 years	40-49 years
Number of Directors	—	—	2	—	—	—	—	4
Top Three Senior Management	—	—	2	—	—	—	—	1

Skill	Accounting & Finance Management		Chemistry		Legal / Law		Business Management	
	Accounting & Finance Management	Chemistry	Legal / Law	Business Management	Accounting & Finance Management	Chemistry	Legal / Law	Business Management
Number of Directors	2	1	2	1	2	1	2	1
Top Three Senior Management	1	1	1	1	1	1	—	—

The Nomination Committee is chaired by an Independent Non-Executive Director. The Nomination Committee considers recommendations from existing board members, management, major shareholders and third-party sources to identify suitably qualified candidates, when necessary, before recommending to the Board for further deliberation.

There is no restriction on the number of Directorships for each Board member save as advised the limit of five (5) listed company Directorships by Bursa Malaysia under its Listing Requirements & Corporate Governance Guidelines. Board members are at liberty to accept other board appointments in other companies so long as the appointment is not in conflict of interest with the Company and does not affect his performance for the Company.

Board members are required to notify the Chairman of the Board and/or Company Secretary before accepting new external Directorships and indicating the time that will be spent on the new Directorship.

Corporate Governance Overview Statement

The Nomination Committee undertakes annual assessment to evaluate the performance of each individual Directors, the effectiveness of the Board and the Board Committees by way of self-assessment. Directors are required to fill out the self-assessment forms and provide their feedback, views and suggestions for improvement. The results of these self-assessment forms are compiled and tabled to the Nomination Committee for review and deliberation.

III. Remuneration

The remuneration of Directors will be formulated to be competitive and realistic with aims to attract, motivate and retain Directors with the relevant experience, expertise and quality needed to assist in managing the Company effectively. For Executive Directors, the remuneration packages link rewards to corporate and individual performance whilst for the Non-Executive Directors, the level of remuneration is linked to their experience and level of responsibilities undertaken. The level of remuneration for the Executive Directors is assessed by the Remuneration Committee after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies.

The determination of directors' remuneration is subject to Board's approval. The director concerned should abstain from discussing his/her own remuneration.

Pursuant to Section 230(1) of the Companies Act, 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

The amount of Directors' fee and benefits for the new financial year proposed for the shareholders' approval at the forthcoming AGM is RM400,000 and RM50,000 respectively.

The details of remuneration paid or payable to the Directors for the financial year and top three Senior Management are disclosed in Practice 8.1 and 8.2 of Corporate Governance Report.

Principle B: Effective Audit and Risk Management

I. Audit and Risk Management Committee

The Board has established an effective and independent Audit and Risk Management Committee (ARMC). The ARMC members are financially

literate and are able to understand matters under the purview of the ARMC including the financial reporting process. Presently, the members of the ARMC comprise of fully Independent Non-Executive Directors and the Chairman of the ARMC is not the Chairman of the Board.

When considering the appointment of former key audit partner from its current External Auditor's firm, the ARMC is mindful of the minimum three (3) years cooling off period best practice under the MCCG before appointing this partner as a member of the ARMC. The Board is satisfied that, with the present composition structure and practice, the ARMC is able to objectively review and report its findings and recommendations to the Board.

The present External Auditors of the Company was engaged since the financial year 2013. Annually, the ARMC will review the appointment, performance and remuneration of the External Auditors before recommending them to the Board to approve the recommendation for seeking shareholders' approval at the forthcoming AGM for re-appointment. In assessing the External Auditors, the ARMC will consider the adequacy of resources of the firm, quality of service and competency of the staffs assigned to the audit as well as the auditors' independence and fee.

The ARMC will convene meetings with the External Auditors and Internal Auditors without the presence of the Executive Directors and employees of the Group as and when necessary. As part of the ARMC review processes, the ARMC will also obtain assurance from the External Auditors confirming 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.

II. Risk Management and Internal Control

The Board as a whole are responsible for risk management through the oversight of the Audit and Risk Management Committee (ARMC) while the Executive Directors together with the senior management team are primarily responsible for managing risks and implementing internal controls in the Group.

Information of the Group's internal control and risk management is presented in the Statement on Risk Management and Internal Control set out on pages 66 to 68 of the Annual Report. The Board has also commented in the said statement that they are

satisfied with the effectiveness and adequacy of the existing level of systems of risk management and internal control.

The Internal Audit Function is carried out by Resolve IR Sdn. Bhd. ("Resolve") an outsourced internal audit consulting firm. The internal audit function is headed by a director who is assisted by a manager and supported by an audit executive. The Director in charge is a qualified accountant and a member of the Institute of Internal Auditors Malaysia while the rest of the team members are accounting graduates. The Internal Auditors have performed its work with reference to the principles of the International Professional Practice Framework of Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders. The Audit Committee will review the engagement between the Group and Resolve to ensure that the Internal Auditors' objectivity and independence are not impaired or affected.

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

I. Communication with Stakeholders

The Board maintains an effective communications policy that enables both the Board and the management to communicate effectively with its shareholders, stakeholders and the public. The policy effectively interprets the operations of the Group to the shareholders and accommodates feedback from shareholders, which are factored into the Group's business decision.

The Board communicates information on the operations, activities and performance of the Group to the shareholders, stakeholders and the public through the following:

- i. the Annual Report, which contains the financial and operational review of the Group's business, corporate information, financial statements, and information on the ARMC and Board of Directors;
- ii. various announcements made to the Bursa Securities, which include announcements on quarterly results;
- iii. the Company website at <https://www.samchem.com.my>;
- iv. engages with research analysts, fund managers, shareholders and media to give them a better understanding of the business conducted by the Group in particular, and of the industry in which the Group's business operates, in general, performance and major developments; and
- v. participation in surveys and research conducted by professional organisations as and when such requests arise.

Shareholders and investors are also encouraged to interact and provide feedback to the Chairman for opinions or concerns. Separately, the Company has also reported its Sustainability Statement on pages 26 to 65 of this Annual Report covering the aspects of governance, environment and social responsibility for stakeholders' reference.

II. Conduct of General Meetings

The Annual General Meeting (AGM) serves as an important means for shareholders communication. Notice of the AGM together with the Annual Reports are sent to shareholders 28 days prior to the meeting in line with the best practices as recommended by the MCCG and in accordance to the Company's Constitution and the provision in the Companies Act, 2016.

At each AGM, the Board presents the progress and performance of the Group's business and encourages participation of shareholders during questions and answers sessions. The Chairman and the Board will respond to all questions raised by the shareholders during the AGM.

Shareholders who are unable to attend the AGM are advised that they can appoint proxies to attend and vote on their behalf.

Explanation for each proposed resolution set out in the Notice of AGM will be provided, if needed during AGM to assist shareholders in making their decisions and exercising their voting rights. In line with Paragraph 8.29A(1) of the MMLR, all resolutions set out in the Notice of AGM will be put to vote by poll. The Company will also appoint an independent scrutineer to validate the vote cast in the AGM. The outcome of the AGM will be announced to Bursa Securities on the same meeting day while the summary of key matters discussed during the AGM will be posted on the Company website.

This Statement is made in accordance with the approval and resolution of the Board of Directors.

Sustainability Statement

About this Report

Samchem Holdings Berhad ("Samchem" or "the Group") presents its annual Sustainability Statement ("SS2025") for the financial year ended 31 December 2025 ("FY2025"). This section details the Group's environmental, social, and governance (ESG) impacts, performance, and ongoing commitments during the reporting period.

Reporting Frameworks and Standards

This statement has been prepared in accordance with the Sustainability Reporting Guide (3rd Edition) of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), aligning with the Main Market Listing Requirements. The Group's ESG disclosures are further guided by the established sustainability frameworks and guidelines to ensure comprehensive reporting, including:

 <p>Bursa Malaysia Sustainability Reporting Guide (3rd Edition)</p> <p>IN ACCORDANCE</p>	 <p>Global Reporting Initiative (GRI) 2021 (Core Option)</p> <p>WITH REFERENCE</p>	 <p>FTSE4Good Bursa Malaysia (F4GBM) Index</p> <p>WITH REFERENCE</p>
 <p>Sustainability Accounting Standards Board (SASB) Sector Specific Disclosures</p> <p>IN ALIGNMENT</p>	 <p>International Sustainability Standards Board (ISSB) Standards</p> <p>WITH REFERENCE</p>	 <p>United Nations Sustainable Development Goals (UNSDGs)</p> <p>IN ALIGNMENT</p>

This statement has adopted the GRI reporting principles to support stakeholder inclusiveness, reflect our broader sustainability context, prioritise material topics, and deliver a complete and comprehensive report.

Basis of Scope, Boundary and Exclusion

This statement covers the Group's ESG impacts and activities in Malaysia for the reporting period of 1 January 2025 to 31 December 2025, unless otherwise stated. Where applicable, historical data for the past three (3) years has been included to enable meaningful year-on-year performance comparisons. The reporting scope covers Samchem's key business divisions and includes operational subsidiaries held by Samchem Holdings Berhad, including:

- Samchem Inorganic Chemicals Sdn Bhd
- Samsentosa Chemicals Sdn Bhd
- Samchem Nusajaya Sdn Bhd
- Samchem Industries Sdn Bhd
- Samchem Sdn Bhd

- Samchem Lubricants Sdn Bhd
- Samchem Logistics Services Sdn Bhd
- SC Udes Sdn Bhd
- SC Terminals Sdn Bhd
- CKJ Logistics Sdn Bhd

Note: *Eweny Chemicals Sdn Bhd and Samchemsphere Export Sdn Bhd are excluded from the FY2025 reporting scope. Eweny Chemicals Sdn Bhd is currently dormant, while Samchemsphere Export Sdn Bhd functions as the holding company for the Group's Vietnam operations.*

Going forward, the Group plans to extend the reporting scope to include its operations in Vietnam, Indonesia and Singapore.

The activities of outsourced operations and joint stock companies, including overseas-based subsidiaries, are not covered in this report but remain a focus for future governance and reporting enhancements.

Data Quality, Assurance and Forward Looking Statements

The information disclosed in SS2025 is internally collected and verified by the respective data owners. The Sustainability Committee, Audit and Risk Management Committee, and the Board of Directors have reviewed the Sustainability Statement and collectively confirm that it presents a fair and accurate representation of the Group's sustainability performance. This Sustainability Statement was approved by the Board on 13 April 2026.

The Group has not engaged external third-party assurance for ESG data at present. However, financial information disclosed herein may be cross-referenced with the audited figures presented in Samchem's Annual Report 2025. The Group aims to conduct an internal audit review of the Sustainability Statement in FY2026, in line with Bursa Malaysia's Sustainability Reporting requirements, to enhance the reliability and credibility of its disclosures.

SS2025 may contain forward-looking statements relating to the Group's future plans, objectives, and expectations. These statements are based on current assumptions and are subject to uncertainties and changes arising from evolving risks, opportunities, and operational considerations.

Report Availability and Stakeholder Feedback

SS2025 is available for download on the Group's corporate website at www.samchem.com.my, as part of Samchem's Annual Report 2025. The Group encourages feedback from stakeholders to support the continuous enhancement of its sustainability practices and reporting. Comments, queries, or suggestions may be submitted to info@samchem.com.my.

Message from Executive Director

It is my pleasure to present Samchem's Sustainability Statement for the financial year ended 31 December 2025. This report underscores our steady progress in fortifying our commitment to responsible business practices and reflects our journey towards long-term value creation for all our stakeholders.

In FY2025, Samchem maintained a resilient operational footprint, recording a revenue of approximately RM1.11 billion. This solid financial performance enabled us to generate and distribute RM1.05 billion in economic value. This wealth distribution supports a broad ecosystem of stakeholders, including our dedicated employees, shareholders, government bodies, and local communities, providing the financial baseline needed to accelerate our sustainability transition.

We continue to make significant strides in our energy transition. By scaling up the adoption of solar energy across our facilities, we have now sourced 35.26% of our total electricity consumption from renewable energy. This transition has effectively avoided 105.03 tCO₂e in carbon emissions, demonstrating a practical, measured approach to reducing our environmental footprint while maintaining operational excellence.

To enhance the rigour of our climate disclosures, we have further expanded our Greenhouse Gas (GHG) emissions inventory. In FY2025, our Scope 3 accounting was expanded to include waste-generated emissions, in addition to existing tracking for business travel and employee commuting. While this expanded boundary has led to a marginal increase in reported emissions intensity, it provides a more transparent and holistic view of our carbon profile, allowing for more informed mitigation strategies in the future.

In anticipation of the evolving regulatory landscape in Malaysia, we are proactively aligning our reporting practices with the National Sustainability Reporting Framework (NSRF). We are currently institutionalising the requirements of the International Financial Reporting Standards (IFRS) S1 and S2. These frameworks will serve as the cornerstone of our climate-related financial disclosures, ensuring Samchem remains at the forefront of global ESG transparency.

Our people are the primary drivers of our success. We remain committed to fostering an inclusive workplace through continuous investment in employee development and engagement. Safety remains our licence to operate; we continue to refine our occupational health and safety protocols to ensure every member of our team returns home safely.

Beyond our operational borders, we are dedicated to environmental restoration. This year, we successfully planted 370 mangrove saplings, which carry an estimated lifetime carbon sequestration potential of over 453,028 kg CO₂e. This initiative reflects our conviction that the health of our business is inextricably linked to the vitality of the ecosystems we inhabit.

Governance is the foundation of our strategic direction. We uphold the highest standards of integrity, accountability, and transparency, as evidenced by zero confirmed corruption incidents in FY2025. The Board and Management remain steadfast in embedding ESG considerations into our corporate DNA, ensuring that ethics guide every strategic decision.

As we look ahead, Samchem will continue to integrate sustainability deeper into our business strategy. We are committed to remaining responsive to the evolving expectations of our stakeholders while building a resilient, low-carbon enterprise. I wish to extend my sincere gratitude to our shareholders, partners, and employees for their unwavering trust as we navigate this path together.

NG AI RENE
Executive Director



Sustainability Statement

FY2025 Sustainability Highlights



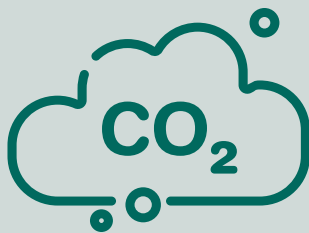
RM1.05bil
in Total Economic Value
Distributed to Stakeholders



85% Achieved
Customer
Satisfaction
Target Score



48.58% Procurement
Spending
on Local Suppliers
**inclusive of the purchase of chemicals and packaging
materials, and services of carriage inwards*



Expanded GHG Inventory
Data Scope and Coverage



35.26% of Electricity
Consumption
from Renewable Solar Power
Equivalent to 105.03 tCO₂e of emissions avoided



370 Mangrove Saplings
Planted
*with an estimated carbon sequestration potential
of 453,028 kg CO₂e for the lifetime of the tree*



Diverted 0.33 tonnes
of Waste from Disposal
from a total of 67.67 tonnes
of waste generated



330 Total Workforce
in Malaysia
of which 96.97%
are Permanent Employees



RM108,586
Total Amount Invested
in the Community



51.56%
Women Representation in
Management Composition
while women make up
30% of Total Workforce




Zero Confirmed
Incidents
of Corruption



Zero Work-Related
Fatalities
with 532,280 manhours worked

Sustainability Governance

Samchem has established a clear sustainability governance structure with defined roles and responsibilities at every level. The Board of Directors holds ultimate responsibility for overseeing the Group's sustainability performance and ensuring that ESG considerations are embedded in its strategic direction. The Sustainability Committee, comprising a dedicated management team led by the Executive Director, drives the implementation of sustainability policies, manages ESG initiatives, and integrates sustainability practices into daily operations and decision-making processes across the Group. Supporting this effort, the Working Team drives the execution of sustainability initiatives within their respective departments.

Roles & Composition		Responsibilities
	Board of Directors ("the Board") Executive & Non-Executive Directors	<ul style="list-style-type: none"> • Holds ultimate accountability and maintains oversight on all sustainability and climate-related risks. • Formulates sustainability and climate-related strategies, policies, priorities, and targets in line with Group strategy. • The Audit and Risk Management Committee provides oversight and guidance on the Group's sustainability strategies and initiatives and ensures the integration of sustainability and climate-related considerations into the Group's business objectives.
	Sustainability Committee Representatives of various business functions, chaired by an Executive Director	<ul style="list-style-type: none"> • Develops the sustainability roadmap and strategy, aligning with business objectives • Identifies sustainability risks and opportunities • Advises the Board and seeking Board endorsement on the sustainability agenda • Oversees implementation of policies and assessing effectiveness • Identifies and implements the stakeholder engagement process • Reports to the Board on sustainability progress
	Working Team All Business Functions and Employees	<ul style="list-style-type: none"> • Involvement and participation from all the employees • Oversees the day-to-day execution of sustainability initiatives in their departments, roles and functions to achieve sustainability goals

This governance structure reinforces accountability, upholds regulatory alignment, and enables continuous progress toward achieving Samchem's long-term ESG commitments.

Policies and Frameworks

Good governance supports Samchem's approach to sustainability and long-term value creation. The Group's sustainability policies and frameworks provide clear guidance for responsible conduct, corporate management, and decision-making across the Group, ensuring consistent implementation of ESG principles and alignment with regulatory requirements and recognised best practices.

Samchem's Policies		
Board Charter	Fit and Proper Policy	Whistleblowing Policy
Code of Conduct	Anti-Bribery and Corruption Policy	Conflict of Interest Policy
Terms of Reference for Audit and Risk Management Committee, Nomination Committee and Remuneration Committee	Related Party Transaction Policy	Misconduct and Discipline Policy
	Use of Recording Devices Policy	Environment Policy & CSR

The Group periodically reviews the effectiveness of its policies to ensure they continue to uphold strong governance, promote sustainable practices, and remain aligned with regulatory requirements and stakeholder expectations. Further details on the Group's policies can be found on the Company's website at <https://www.samchem.com.my>.

Sustainability Statement

Stakeholder & Materiality

Samchem remains focused on identifying and managing the ESG matters most relevant to its business and stakeholders. The Group recognises that its operations influence, and are influenced by, a broad range of stakeholder groups.

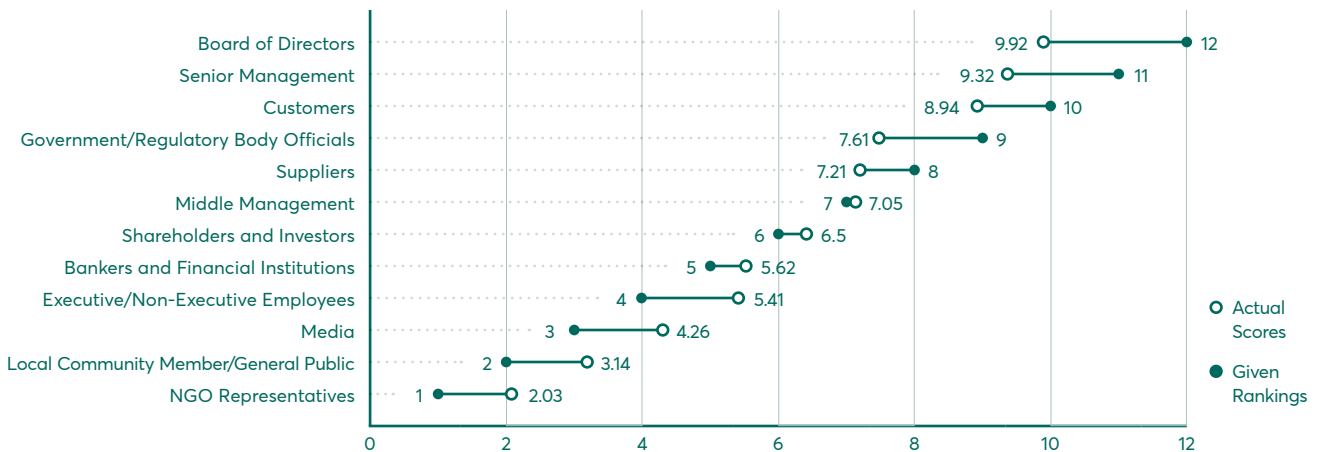
Through consistent engagement with these stakeholder groups, the Group ensures that material ESG topics are identified, prioritised, and embedded into its business planning and decision-making processes.

Stakeholder Prioritisation

Stakeholders continue to play an essential role in guiding Samchem’s sustainability priorities and direction. As parties who affect or are affected by the Group’s operations, their insights remain integral in shaping Samchem’s ESG approach.

Through the 2023 materiality assessment, Samchem identified and ranked key stakeholder groups based on their influence and relevance to ensure that the most impactful stakeholders’ views are effectively incorporated into the Group’s sustainability planning. Stakeholders were assessed according to their strategic influence and their significance to the business, with greater weight given to groups with higher decision-making influence, such as the Board of Directors.

The resulting stakeholder ranking, derived from the materiality analysis, is outlined below:



Stakeholder Engagement

Stakeholder engagement is central to Samchem’s sustainability approach, supporting informed and responsible decision-making that drives long-term value. Through regular engagement, Samchem ensures its strategies and operations stay aligned with evolving stakeholder expectations.

Stakeholder Groups' Material Concerns	Our Response	Engagement Outcomes	Engagement Channel	Frequency
Employees				
Employees, including union and contract staff, form the backbone of our company. Aligned with the Group's vision, their dedicated efforts play a crucial role in executing the Group's strategies for business sustainability and growth.				
<ul style="list-style-type: none"> • Safe working environment • Ethical business practices • Well-being and mental health • Work-life balance • Human rights • Employee Welfare • Skill development and progression 	<ul style="list-style-type: none"> • Provide a safe working environment for our employees • Annual dinner • Adaptable work schedules • Promote awareness of health and safety • Enact programs for the welfare of employees • Celebrate festive seasons throughout the year 	<ul style="list-style-type: none"> • Increase work productivity • Employee satisfaction 	<ul style="list-style-type: none"> Day-to-day operations Internal communications Training and competency development Company announcements Employee performance review Talent Management Programme Safety briefings and trainings 	<ul style="list-style-type: none"> Daily Periodically Periodically As required Annually Periodically Periodically
Customers				
Customers, as vital external stakeholders, play a crucial role in our long-term success by purchasing our products and services, contributing to our business's sustainability.				
<ul style="list-style-type: none"> • Health, safety, and environment • Ethical business practices • Product quality and delivery • Product pricing and credit terms • Technical support 	<ul style="list-style-type: none"> • Initiate conversations with customers to address their concerns • Conduct awareness sessions on anti-bribery and corruption • Ensure a dependable provision of equipment and labour • Develop distinct value propositions tailored to each customer segment 	<ul style="list-style-type: none"> • Sustain customer loyalty and relationships • Quality management & assurance • Customer satisfaction 	<ul style="list-style-type: none"> Product launches and customer events Meetings and business communication Customer services Customer satisfaction survey Communication on Group's Policy Company announcements 	<ul style="list-style-type: none"> Periodically Periodically Periodically Periodically Periodically As required
Vendors and Suppliers				
As one of the important stakeholders, we foster mutually beneficial relationships with vendors and suppliers to ensure long-term sustainable business growth.				
<ul style="list-style-type: none"> • Continuous value creation • Health, safety, and environment • Ethical business practices • Collaborations and partnerships • Distribution support 	<ul style="list-style-type: none"> • Enhance the advantages of our partnerships • Reinforce positive HSE practices by leveraging each governance practice • Optimise business performance, planning, and other commercial aspects 	<ul style="list-style-type: none"> • Continuous supply of excellent quality materials from trustworthy vendors • Maintain good relationship with vendors/suppliers • Expand network for material and product sourcing 	<ul style="list-style-type: none"> Product launches and trade exhibitions Meetings and business communication Vendor evaluation and registration Company announcements and press releases Communication on Group's policy 	<ul style="list-style-type: none"> Periodically As required Periodically As Required Periodically

Sustainability Statement

Stakeholder Groups' Material Concerns	Our Response	Engagement Outcomes	Engagement Channel	Frequency
Shareholders and Investors				
Shareholders, as the owners of our business, contribute capital to foster sustainable growth and equitable returns. They hold voting rights at general meetings.				
<ul style="list-style-type: none"> Annual General Meetings (AGM) Annual Report Company announcements Corporate website Analyst reports published by research institutes Investor relation sessions 	<ul style="list-style-type: none"> Ensure timely disclosure of key topics Intensify communication frequency and transparency Enhance access to Board members and the management team 	<ul style="list-style-type: none"> Generate sustainable growth and shareholders' returns Enhance our shareholders' funds and boost financial performance Building shareholder trust through transparent management and effective communication Safeguard shareholders' interest by enhancing corporate value and shareholders' return 	<ul style="list-style-type: none"> Company website Annual General Meetings Announcements via Bursa Malaysia Investor Briefings Press releases Meetings and conferences Annual Reports 	<ul style="list-style-type: none"> As required Annually As required Periodically As required As required Annually
Financial Institutions				
Financial institutions contribute by providing financing products and services to our business, enabling financial support for expansion and growth.				
<ul style="list-style-type: none"> Operational, commercial and financial performance Growth project progress and deliverables 	<ul style="list-style-type: none"> Collaborate with applicable financial institutions sharing common objectives 	<ul style="list-style-type: none"> Ensure credit management is conducted in efficient methods Proactive balance sheet management to support the financial capability Ensure the availability of financial resources for future business growth Flexibility and availability of bank facilities 	<ul style="list-style-type: none"> Contractual arrangements and business transactions Corporate website Compliance audits Surveys Meetings & business communications Annual Report Company announcements 	<ul style="list-style-type: none"> As required As required Periodically As required As required Annually As required
Local Communities				
Engaging local communities is essential for companies as it builds trust, fosters collaboration, and aligns business practices with community values, ultimately enhancing reputation and fostering sustainable success.				
<ul style="list-style-type: none"> Safety of our operations Quality of land, air and water surrounding our base operations 	<ul style="list-style-type: none"> Allocate resources to community development initiatives Adopt rigorous best practices in HSE 	<ul style="list-style-type: none"> Adopt stringent HSE best practices Invest in community development programmes 	<ul style="list-style-type: none"> Education Sponsorship Financial Contribution Corporate Website Food Supply Donations for the Community Environmental Conservation 	<ul style="list-style-type: none"> Periodically Periodically As required Periodically Periodically

Sustainability Statement

Membership In Associations

Samchem continues to maintain active membership in several recognised professional and industry associations, demonstrating the Group’s commitment to staying informed, engaged, and connected within the broader business landscape. These affiliations enable the Group to remain informed on regulatory developments, foster knowledge sharing, and pursue collaborative initiatives that support industry advancement and best practices.

During the current reporting period, the Group holds memberships in the following associations:

- Chemical Industries Council of Malaysia (CICM)
- Malaysian Paint Manufacturers Association

The Group is committed to ensuring that its climate policies remain aligned with the positions adopted by the trade associations of which Samchem is a member and will address any discrepancies where an association’s stance is significantly weaker or inconsistent with the Group’s climate commitments.

Material Matters

Samchem adopts a structured approach to identifying and prioritising sustainability matters that are most relevant to its business and stakeholders through periodic materiality assessments. These include the evaluation of emerging risks and opportunities that may significantly affect the Group’s long-term performance, resilience, and impact on society and the environment.

The Group completes a full materiality assessment once every three to five years, with FY2023 being the latest cycle. This is supported by limited-scale desktop reviews in interim years such as FY2025 to help ensure the material matters remain relevant to our current operations.

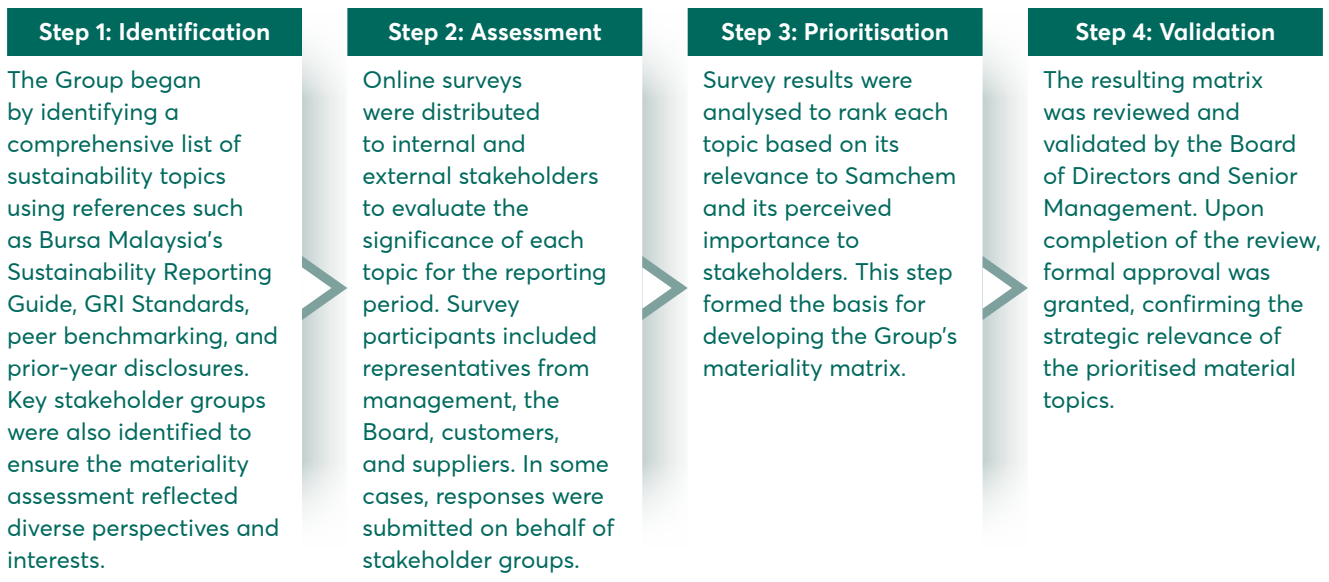
In FY2023, the Group has identified 19 material matters across four topics which are economics, governance, environmental and social. These outcomes guide the focus areas of Samchem’s sustainability strategy and reporting, supporting alignment with global frameworks such as the GRI Standards and FTSE4Good criteria, while reinforcing the Group’s commitment to transparency, accountability, and responsible business practices.

 Economic Topics	 Governance Topics	 Environmental Topics	 Social Topics
Digitalisation and Technology	Good Governance and Anti-Corruption	Climate Change and Emissions	Talent Management and Development
Quality and Customer Satisfaction	Environmental and Social Compliance	Energy Management	Occupational Safety and Health
Local Procurement	Sustainable Supply Chain	Resource Consumption	Labour and Human Rights
	Data Privacy and Security	Water Consumption	Diversity and Equality Opportunity Workplace
	Responsible Product Handling	Biodiversity	Local Community Development
		Waste Management	

Materiality Assessment Process

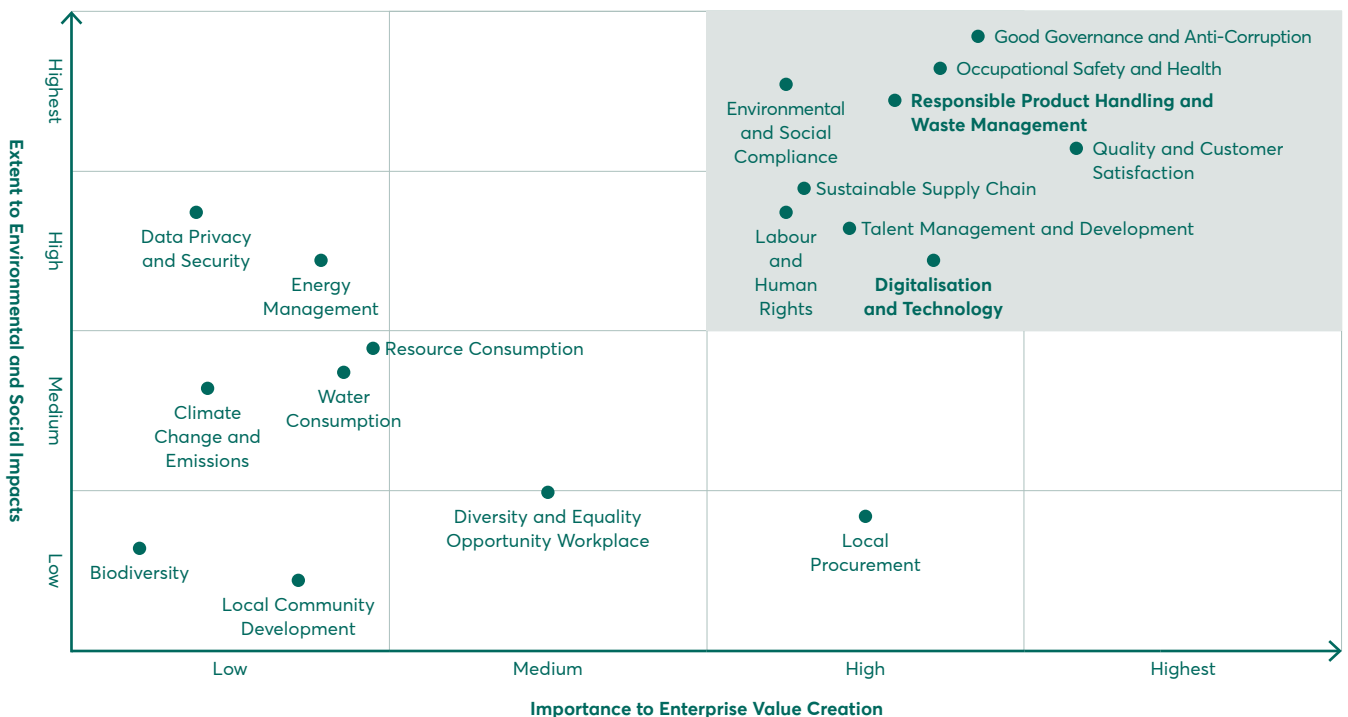
Samchem conducted the comprehensive FY2023 materiality assessment in accordance with the Bursa Malaysia Sustainability Reporting Guide (3rd Edition), which involves the development of assessment surveys covering a broad spectrum of ESG themes, tailored to the views of key stakeholder groups.

The feedback gathered was closely reviewed to ensure the material topics reflect both organisational priorities and stakeholder expectations. The materiality assessment process is summarised below:



Materiality Matrix

A limited desktop review of the material matters was performed as part of SS2025 preparation. Guided by the input from the external ESG consultant, the Board and Senior Management confirmed that the SS2023 materiality matrix continue to remain relevant. The matrix was approved by the Board on 13 April 2026.







Sustainability Statement







ESG KPIs & Targets

Samchem is dedicated to integrating ESG considerations into strategic decision-making and performance management. As part of this commitment, the Group defines and tracks relevant Key Performance Indicators (KPIs) and targets that support continuous improvement in sustainability performance, in line with Bursa Malaysia's requirements. This approach not only strengthens operational efficiency and risk management but also enhances stakeholder confidence and accountability.






In FY2025, the Group remained focused on advancing its ESG performance by monitoring progress against defined KPIs and setting forward-looking targets to guide ongoing improvements. The process is anchored by strong leadership and oversight from the Management and Board, whose commitment to ESG is reflected in strategic decision-making and, where applicable, executive remuneration disclosures within the Annual Report.




The ESG scorecard below presents Samchem's performance for FY2025 and its corresponding targets for FY2026:

Material Topic	KPI	2025 Target	2025 Status	2026 Target
Economic				
	Reduction in number of recalls/rejects.	Achieve less than 50 cases a year or 0.2% of delivery order, whichever is lower.	Achieved	Achieve less than 0.2% of total delivery order.
Quality And Customer Satisfaction	Assess customer satisfaction rate through annual surveys.	Maintain 85% satisfaction rate per annum. <i>Note: Composite score based on product quality, sales person commitment, customer's service, delivery schedule, response on requisition and complaint.</i>	Achieved	Maintain 85% satisfaction rate based on surveys returned per annum. <i>Note: Composite score based on product quality, sales person commitment, customer's service, delivery schedule, response on requisition and complaint.</i>
	Continued preference for local procurement for non-trading goods where commercially and operationally feasible.	To procure at least 80% of non-trading goods locally per annum. <i>Note: Target is scoped to non-trading goods only as Samchem is highly dependent on overseas suppliers due to market forces. However, the Group remains committed to procuring locally when possible.</i>	Achieved	To procure at least 80% of non-trading goods locally per annum. For other goods, no target established as Samchem is highly dependent on overseas suppliers and market forces. However, the Group remains committed to procuring locally when possible.
Local Procurement				
	Progress status of ERP migration from present Management Information System or MIS.	Successful migration by Quarter 3 FY2025 for Malaysia operation.	Progress as at end FY2025 75%	Successful migration by Quarter 3 FY2026 for Malaysia operation.
Digitalisation and Technology	Software upgrades for e-invoicing.	Completion of software upgrades for e-invoicing for Malaysian operations.	Achieved <i>All Malaysian entities are implementing e-invoicing to comply with LHDN requirements using middleware</i>	—
Environmental				
	Reduction in Scope 2 Emissions Intensity (Tonnes CO ₂ e/Revenue RM'million).	To achieve 3% reduction in Scope 2 emissions intensity by FY2025 based on FY2024 baseline.	Not achieved	To achieve 2% reduction in Scope 2 emissions intensity by FY2026 based on FY2024 baseline.
Climate Change and Emissions	To establish baseline Scope 1 carbon emissions by FY2023.	To measure Scope 1 carbon emissions in FY2025.	Achieved	To measure Scope 1 carbon emissions in FY2026.

Material Topic	KPI	2025 Target	2025 Status	2026 Target
Environmental (continued)				
 Energy Management	Reduction in electricity intensity (total electricity in kWh/Revenue in RM'million).	To achieve 2% reduction year-on-year based on a FY2024 baseline.	Not achieved	To achieve 2% reduction year-on-year based on a FY2024 baseline.
	Percentage of operations powered by solar generated electricity.	30% of Group electricity consumption to be derived from solar by FY2025.	Achieved 35.26% electricity consumption derived from solar	30% of Group electricity consumption to be derived from solar by FY2026.
	Establish baseline of total fuel used for lorries, forklifts and other site equipment.	To continue measurement for FY2025.	Achieved, baseline completed for FY2023	To continue measurement for FY2026.
	Progress of transition to LED lighting and inverter air-conditioning for Samchem office.	100% completion of LED lighting installation by FY2025. Transition to full Inverter air-conditioning at HQ use by FY2033, 8-9 units to be converted per annum.	Achieved On track at 7.14% achieved (no units converted) in FY2025	100% completion of LED lighting installation by FY2026. Transition to full Inverter air-conditioning at HQ use by FY2033, 8-9 units to be converted per annum.
 Water Consumption	Establish baseline of total Group water consumption.	To continue measurement for FY2025.	Achieved	To continue measurement for FY2026.
 Resource Consumption	Reduction in paper consumption per annum at Group level.	To lower paper consumption to below 800 rims per annum in FY2025.	Achieved 660 rims in FY2025	To lower paper consumption to below 800 rims per annum in FY2026.
	Establish baseline of total plastics consumption.	To calculate plastic bottle consumption by FY2025.	Achieved FY2024 – 3600pcs FY2025 – 1800pcs	To calculate plastic bottle consumption by FY2026.
 Waste Management	Establish baseline of total recycled waste.	To establish baseline for total 3R recycled waste for all offices by FY2025.	Achieved	To continue measurement for total 3R recycled waste for all offices for FY2026.
Social				
 Talent Management and Development	Average training hours per employee based on gender and employment category.	To achieve average 8 hours of training per employee per annum.	Achieved 8.18h per employee	To achieve average 8 hours of training per employee per annum.
	Reduction in employee turnover rates.	To reduce employee attrition rates to 15% by end FY2025.	Not achieved. Attrition rate for FY2025 is 33.96%	To reduce employee attrition rates to 15% by end FY2026.
 Diversity and Equal Opportunity Workplace	Number of women in management positions Group-wide.	To achieve at least 30% women in management composition.	Achieved. 51.56% women representation in management composition	To achieve at least 30% women representation in management composition.

Sustainability Statement

Material Topic	KPI	2025 Target	2025 Status	2026 Target
Social (continued)				
 Labour and Human Rights	Number of substantiated human rights incidents within Group operations.	Zero substantiated incidents of human rights violations per annum.	Achieved	Zero substantiated incidents of human rights violations per annum.
	Resolution rate of substantiated grievances.	To achieve 100% resolution rate for grievances per annum.	Achieved	To achieve 100% resolution rate for grievances per annum.
 Occupational Safety and Health (OSH)	Number of warehouse/drumming accidents per annum.	To maintain zero incidents per annum.	Achieved	To maintain zero major incidents per annum.
	Number of chemical transport vehicle accidents.		Achieved	To maintain zero major incidents per annum.
	Number of fatality cases per annum.		Achieved	To maintain zero fatality.
	Number of LTIs per annum.	To maintain LTI below 1.5 per annum.	Total recordable LTI is 1.13	To maintain LTI below 1.8 per annum.
 Local Community Development	Number of CSR events held annually.	To achieve a minimum of two (2) events per year.	Achieved	To achieve a minimum of two (2) events per year.
	Number of employees volunteering for company CSR events.	To increase participation by 10% in 2025.	Achieved	To increase participation by 10% in 2025.
Governance				
 Good Governance and Anti-Corruption	Number of substantiated corruption cases per annum.	To maintain zero number of reported cases per annum.	Achieved	To maintain zero number of reported cases per annum.
	Number of staff briefed on anti-corruption policy and procedures.	To achieve 100% of staff briefed per annum.	Achieved	To achieve 100% of staff briefed per annum.
	Number of Board Directors briefed on MACC Section 17A and the Company's ABC Policy.	To achieve 100% of directors briefed on MACC Section 17A and the Company's ABC Policy per annum.	Achieved	To achieve 100% of directors briefed on MACC Section 17A and the Company's ABC Policy per annum.
	Percentage of suppliers who have complied/ provided written commitment with Samchem's ABC Policy.	To have 100% of suppliers' compliance by FY2025.	The supplier Code of Conduct has been sent out to suppliers in FY2025. We will continue to actively engage all suppliers for formal signed acknowledgement.	The Group is in the midst of establishing the compliance tracking mechanism which is expected to be completed by FY2026.
 Environmental and Social Compliance	Number of non-compliance cases per annum.	To maintain zero number of reported cases per annum.	Achieved	To maintain zero number of reported cases per annum.

Material Topic	KPI	2025 Target	2025 Status	2026 Target
Governance (continued)				
 Data Privacy and Security	Number of substantiated data breach complaints received.	To maintain zero number of incidents per annum.	Achieved	To maintain zero number of incidents per annum.
 Sustainable Supply Chain	Percentage of suppliers who have provided written commitment to abide by environmental and social regulations including: – Workers’ Minimum Standards of Housing and Amenities Act. – Zero child or illegal labour employment.	To have 100% of suppliers’ compliance to written commitment by FY2025.	The supplier Code of Conduct has been sent out to suppliers in FY2025. We will continue to actively engage all suppliers for formal signed acknowledgement.	The Group is in the midst of establishing the compliance tracking mechanism which is expected to be completed by FY2026.
 Responsible Product Handling	Quantity of chemical spillage per annum.	Not exceeding 500kg per annum.	Achieved	Not exceeding 500kg per annum.

Economic Pillar

Economic Performance

Samchem remains committed to generating sustainable economic value while maintaining strong financial performance. The Group’s position in the chemical industry enables it to deliver resilient financial outcomes and provide long-term returns to shareholders.

Samchem’s economic contribution extends beyond profitability. Our financial stability enables continued investment in local communities through prioritisation of local procurement, support for local employment and responsible tax contributions. These efforts contribute to the growth of local industries and improve overall community wellbeing.

The Group also continues to actively invest in research and development, strengthening our product portfolio to meet evolving market needs and technological advancements.

In FY2025, Samchem’s financial performance was underpinned by the following key indicators:



Aligned with the GRI definition of economic value, Samchem measures both its financial performance and its economic contributions. The table below presents the distribution of economic value to key stakeholder groups over the past three years:

Economic Values Distributed	FY2023 (RM'000)	FY2024 (RM'000)	FY2025 (RM'000)
Total procurement value paid to Suppliers	1,038,508	1,092,499	985,868
Total payout to Employees in salaries and benefits	35,144	38,480	39,807
Taxes paid to Government	13,651	9,754	7,401
Repayments to Financiers	7,407	9,277	9,841
Dividend Returns to Shareholders	11,968	13,056	8,704
Total Economic Value Distributed	1,106,678	1,163,066	1,051,621

Note:
 • Data disclosed under the Economic Values Distributed table is for Samchem Holdings Berhad as a Group.
 • The Total procurement value paid to Suppliers is disclosed using the Cost of Sales figure, which can be cross referenced to the respective financial years’ Statement of Comprehensive Income.

Sustainability Statement

Digitalisation and Technology

As part of its commitment to sustainable growth, Samchem continues to leverage digitalisation and innovation to drive operational excellence, strengthen product and service delivery and improve internal workflows. Digital transformation supports efficient, transparent, and resilient business operations, enabling the Group to remain competitive in a rapidly evolving industry.

Digitalisation also contributes to Samchem's sustainability initiatives. Improved system integration and automation reduce manual processes, optimise resource utilisation and lower energy consumption, thereby supporting efforts to minimise environmental impact, including greenhouse gas emissions.

The Group continued to make meaningful progress in its digital transformation journey in FY2025. Samchem advanced its Enterprise Resource Planning (ERP) system and cloud migration initiatives, building on prior-year milestones and progressed towards full implementation for its Malaysia operations, achieving 75% completion.

Quality and Customer Satisfaction

Samchem is dedicated to delivering quality products and services that meet customer expectations, strengthen brand loyalty, and support sustainable business performance. The Group prioritises customer satisfaction and brand loyalty through continuous market research and active engagement to better understand and address customer needs. Consistently delivering high quality products remains central to strengthening customer loyalty and driving revenue growth.

Samchem achieved fewer than 65 recall or rejection cases, representing under 0.15% of delivery order and successfully maintained its annual customer satisfaction target of 85% in FY2025.

Looking ahead to FY2026, Samchem aims to uphold these high standards by targeting fewer than 50 cases or below 0.2% of delivery order while sustaining a customer satisfaction rate of 85%. The Group's subsidiaries, including Samchem Sdn Bhd, continue to maintain ISO 9001:2015 and ISO 14001:2015 certifications, reinforcing their commitment to quality management, health, safety, and environmental excellence.

Supporting Local Procurement

Supporting local suppliers is a key component of Samchem's sustainability strategy. Local suppliers are defined as

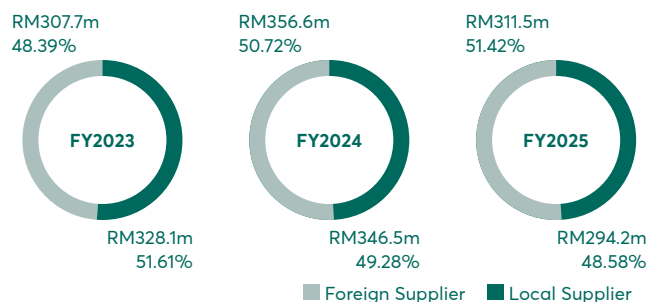
vendors and suppliers operating within Malaysia that provide goods and services to the Group's Malaysian operations. By prioritising responsible and transparent procurement, the Group contributes to local economic development while promoting sustainable business practices. In FY2025, the Group continued to meet the target of procuring at least 80% of non-trading goods locally wherever commercially and operationally feasible.

While certain trading goods require sourcing from international suppliers, Samchem remains dedicated to maximising local procurement opportunities whenever possible. Moving forward, the Group will continue to strengthen partnerships with local vendors, enhance procurement transparency, and promote ESG best practices across its supply chain, reinforcing its commitment to sustainable and inclusive business growth.

Total Procurement Spending (RM'000)



Procurement Spending Data (Foreign/Local)



Procurement Data	FY2023	FY2024	FY2025
Total Number of Suppliers	256	262	312
Total Number of Local Suppliers	170	161	200
Total Number of Foreign Suppliers	86	101	112
Percentage of Local Suppliers (%)	66.41%	61.45%	64.10%

Note:

- Procurement spend data and no. of suppliers are inclusive of the purchase of chemicals and packaging materials, and services of carriage inwards. The FY2023 and FY2024 procurement data has been restated to reflect the same data scope for comparability.
- The proportion of local spending on non-trading goods is currently excluded from the reported data.

Environmental Topics

Climate Change

As the global climate crisis intensifies, Samchem understands that climate change presents both risks and opportunities for our business. Potential risks include physical impacts such as extreme weather events, supply chain interruptions, and resource constraints. At the same time, the transition to a low-carbon economy presents opportunities, including growing demand for sustainable products and access to emerging markets. The Group remains committed to proactively incorporating climate considerations across our operations to ensure resilience and long-term value creation.

Climate-related Disclosures

Climate-related risks and opportunities are increasingly relevant to the Group's operations and long-term strategy. Transparent disclosure provides stakeholders with insights into how these factors are identified, assessed, and managed, covering governance, strategy, risk management, and performance. Our approach to climate-related disclosures is guided by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and informed by the principles of the Sustainability Disclosure Standard S2: Climate-related Disclosures ("IFRS S2"), as required under Malaysia's NSRF.

Governance

The Board of Directors, supported by the ARMC, holds ultimate accountability for overseeing climate-related risks and opportunities. It formulates and approves the Group's sustainability and climate strategies, ensuring alignment with long-term value creation objectives. Management-level oversight is led by the Executive Director through the Sustainability Committee. This committee identifies climate-related risks, develops the sustainability roadmap, and provides regular updates to the Board on energy use, emissions, and other climate indicators.

Strategy

Climate-related risks identified include increased frequency of natural disasters impacting logistics and supply chain disruptions. In parallel, opportunities have emerged through renewable energy adoption, such as increased solar usage and emissions tracking. The Group acknowledges the financial and operational implications of both transition and physical climate-related risks. These include regulatory shifts, stakeholder expectations, and the increased frequency of natural disasters disrupting logistics and supply chains, which are acknowledged as potentially affecting cash flows, access to financing, and licensing.

While a full climate scenario analysis to align with 2°C or lower scenarios is not yet conducted, Samchem has progressively incorporated climate considerations into business planning, infrastructure development, and supply chain strategies to mitigate these impacts. Mitigation efforts, including emissions tracking and solar integration, aim to protect financial performance and enhance organisational resilience.

Risk Management

Climate-related risks are identified through management discussions, stakeholder engagements, and materiality assessments. Emerging risks are escalated to working groups and committee members for evaluation and integration into enterprise risk strategies. Through the Sustainability Committee's periodic updates to the Audit and Risk Management Committee, climate-related risks are incorporated into the Group's broader risk management strategy.

Metrics and Targets

Metrics used for tracking climate-related risks include Scope 1, 2 and 3 emissions quantified as tCO₂e, which are derived from the Group's fuel (diesel & petrol) and electricity (grid & renewable energy) consumption, as well as indirect emissions generated from business travel, employee commuting and waste. Samchem also tracks the intensity of its emissions against its annual revenue.

The total emissions generated in FY2025 is 6,978 tCO₂e, of which 6,089 tCO₂e is from Scope 1, 298 tCO₂e is from Scope 2, and 591 tCO₂e from Scope 3. This marks a significant increase compared to the 3,733 tCO₂e recorded in FY2024 primarily due to the expansion of the logistics fleet, including the addition of lorries and forklifts and higher electricity usage during busier periods.

Energy Management

Samchem remains focused to prioritise energy efficiency in FY2025, building on the progress achieved in FY2024. The transition to full Light Emitting Diode (LED) lighting across all facilities has achieved 100% completion, meeting the 2025 target and contributing to measurable reductions in energy consumption. Inverter air conditioning units were rolled out, with 8-9 units installed, advancing the long-term goal of fully transitioning Samchem HQ to energy-efficient systems by 2033. These initiatives support broader energy optimisation efforts, helping Samchem reduce operational emissions and enhance sustainability performance across its operations.

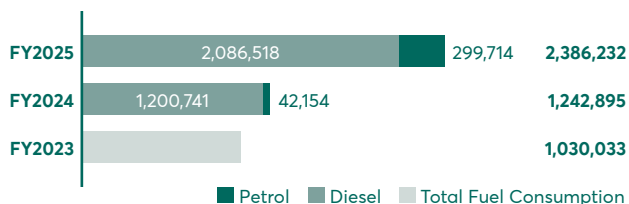
Fuel Consumption

Following the expanded fuel consumption monitoring implemented in FY2024, Samchem further enhanced

Sustainability Statement

its tracking efforts in FY2025 to include additional site equipment and machinery across operations. This more comprehensive monitoring provides greater visibility into energy use and supports targeted initiatives to reduce fuel consumption and operational emissions. In FY2025, the total fuel consumption recorded is 2,386,232 litres, representing a 92% increase from the FY2024 (1,242,895 litres). This rise is primarily driven by the expansion of the logistics fleet including additional lorries and forklifts. By leveraging the insights gained from these measurements, the Group continues to identify opportunities for efficiency improvements, contributing to its broader energy optimisation and sustainability objectives.

Total Fuel Consumption (Litres)



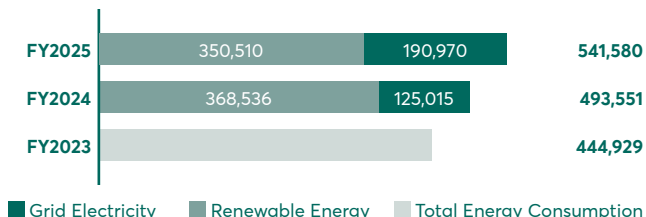
Note:

- For FY2023, the available data did not differentiate between petrol and diesel. For FY2023-FY2024, the data presented covers 100% operations of the following entities: Samchem Inorganic Chemicals Sdn Bhd, Samsentosa Chemicals Sdn Bhd, Samchem Nusajaya Sdn Bhd, Samchem Industries Sdn Bhd, Samchem Sdn Bhd, Samchem Lubricants Sdn Bhd, Samchem Logistics Services Sdn Bhd, SC Udes Sdn Bhd and SC Terminals Sdn Bhd.
- For FY2025, the data presented covers 100% operations of the following entities: Samchem Inorganic Chemicals Sdn Bhd, Samsentosa Chemicals Sdn Bhd, Samchem Nusajaya Sdn Bhd, Samchem Industries Sdn Bhd, Samchem Sdn Bhd, Samchem Lubricants Sdn Bhd, Samchem Logistics Services Sdn Bhd, SC Udes Sdn Bhd, SC Terminals Sdn Bhd, and CKJ Logistics Sdn Bhd.

Electricity Consumption

In FY2025, Samchem continued to prioritise sustainable electricity consumption across its operations. Total electricity consumption for the year was 541,580 kWh, with an electricity intensity over revenue of 487.91 kWh/RM' million. This represents a 27.47% increase from the FY2023 baseline, falling short of the Group's 2% reduction target. Total electricity consumption increased during busier periods, driven by higher operational loads and extended equipment use. The Group sourced 35.26% of its electricity from solar-generated power, exceeding the FY2025 target of 30% and improving on the 25.33% recorded in FY2024. These initiatives support Samchem's broader energy efficiency strategy and contribute to reducing operational emissions across offices and warehouses.

Total Electricity Consumption (kWh)



■ Grid Electricity ■ Renewable Energy ■ Total Energy Consumption

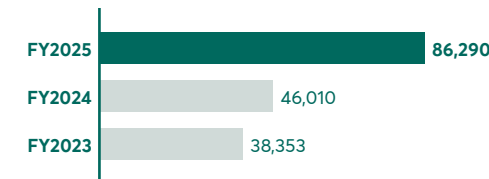
Note:

- For FY2023, the available data did not differentiate between grid electricity and renewable energy. For FY2023-FY2024, the data presented covers 100% operations of the following entities: Samchem Inorganic Chemicals Sdn Bhd, Samsentosa Chemicals Sdn Bhd, Eweny Chemicals Sdn Bhd, Samchem Nusajaya Sdn Bhd, Samchem Industries Sdn Bhd, Samchem Sdn Bhd, Samchem Lubricants Sdn Bhd, Samchemsphere Export Sdn Bhd, Samchem Logistics Services Sdn Bhd, SC Udes Sdn Bhd, SC Terminals Sdn Bhd, and CKJ Logistics Sdn Bhd.
- For FY2025, the data presented covers 100% operations of the following entities: Samchem Inorganic Chemicals Sdn Bhd, Samsentosa Chemicals Sdn Bhd, Samchem Nusajaya Sdn Bhd, Samchem Industries Sdn Bhd, Samchem Sdn Bhd, Samchem Lubricants Sdn Bhd, Samchem Logistics Services Sdn Bhd, SC Udes Sdn Bhd, SC Terminals Sdn Bhd, and CKJ Logistics Sdn Bhd.

Total Energy Consumption

Energy consumption comprises both fuel and electricity usage. In FY2025, the Group's total energy consumption increased from 46,010 GJ to 86,290 GJ compared to the previous year, representing an increase of 87.6%. This rise was driven by higher fuel usage and electricity consumption, as discussed above. Samchem will continue to seek innovative strategies to enhance energy efficiency and reduce operational emissions across its facilities.

Total Energy Consumption (GJ)



Note:

- Total energy consumption is calculated by converting total electricity consumption using the unit conversion factor (1 kWh = 0.0036 GJ). Meanwhile, fuel consumption is converted using the conversion factor from litres consumed to energy value, based on the Malaysia Energy Statistics Handbook 2020.
- For FY2023-FY2024, the data presented covers 100% operations of the following entities: Samchem Inorganic Chemicals Sdn Bhd, Samsentosa Chemicals Sdn Bhd, Eweny Chemicals Sdn Bhd, Samchem Nusajaya Sdn Bhd, Samchem Industries Sdn Bhd, Samchem Sdn Bhd, Samchem Lubricants Sdn Bhd, Samchemsphere Export Sdn Bhd, Samchem Logistics Services Sdn Bhd, SC Udes Sdn Bhd and SC Terminals Sdn Bhd.
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GHG Emissions

As part of its approach to climate action and operational resilience, Samchem actively monitors and manages its GHG emissions. The Group's GHG emissions are categorised into Scope 1, Scope 2, and Scope 3. Scope 1 emissions comprise direct emissions from fuel consumption, including diesel and petrol used by the Group's logistics fleet, machinery, and on-site equipment. Scope 2 emissions represent indirect emissions from purchased electricity consumed in operations. Scope 3 emissions include other indirect emissions occurring across the Group's value chain.

For FY2025, the Group continued to disclose Scope 3 emissions associated with business travel and employee

commuting and expanded its GHG accounting boundary to include waste-related emissions. For the current reporting period, Samchem's total GHG emissions amounted to 6,978 tCO₂e.

Scope 1 emissions increased to 6,089 tCO₂e, primarily driven by the expansion of the logistics fleet, including the addition of lorries and forklifts. Scope 2 emissions rose slightly to 298 tCO₂e due to higher electricity usage during busier periods. Meanwhile, Scope 3 emissions increased to 591 tCO₂e, reflecting the inclusion of waste-related emissions alongside business travel and employee commuting.

Following the expansion of the Group's GHG inventory in FY2024 to include employee commuting and business travel for Scope 3, FY2025 represents a more stable and comparable reporting year, reflecting a consistent emissions accounting boundary.

GHG Emissions (tCO ₂ e)	FY2023	FY2024	FY2025
Scope 1	8,022 ²	3,235	6,089
• Petrol	—	118	722
• Diesel	—	3,117	5,367
Scope 2	245	203	298
Scope 3	1,179 ³	295 ³	591
• Employee Commuting	—	238 ¹	535
• Business Travel	—	57	25
• Waste	—	—	31
Total Scope 1 and Scope 2	8,267	3,438	6,387
Total Scope 1, Scope 2, and Scope 3	9,446	3,733	6,978
Emissions avoidance from Renewable Energy	—	—	105

Note:

- Scope 3 employee commuting data for FY2024 data is restated following a revision to the units applied in the calculations.
- Scope 1 emissions are tabulated from the fuel consumption data in FY2024. The higher Scope 1 emissions recorded in FY2023 were due to fuel consumption data being aggregated without differentiation between petrol and diesel. Emission calculations for that year were based on the assumption that the entire fuel volume comprised diesel, resulting in an overestimation of emissions.
- Scope 3 emissions for FY2024 comprise both employee commuting and business travel. In FY2023, emissions related to employee commuting were mistakenly reported under business travel. As such, FY2024 marks the first year that business travel emissions – derived from air travel and salesforce's road travel – are formally included in Samchem's GHG inventory. Notably, the shift from petrol cards to petrol allowances for sales personnel may have contributed to the observed reduction in Scope 3 emissions for business travel in FY2024.
- GHG emissions for waste were calculated based on the assumption that waste directed to disposal consists of general waste and scheduled waste generated from commercial/industrial operations.
- The emission factor for fuel consumption is derived from the Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories on Road Transportation.

- The emission factor for grid electricity is based on the United Nations Framework Convention on Climate Change (UNFCCC) Harmonised Grid Factors 2021.
- For FY2023-FY2024, the data presented covers 100% operations of the following entities: Samchem Inorganic Chemicals Sdn Bhd, Samsentosa Chemicals Sdn Bhd, Eweny Chemicals Sdn Bhd, Samchem Nusajaya Sdn Bhd, Samchem Industries Sdn Bhd, Samchem Sdn Bhd, Samchem Lubricants Sdn Bhd, Samchemsphere Export Sdn Bhd, Samchem Logistics Services Sdn Bhd, SC Udes Sdn Bhd and SC Terminals Sdn Bhd.
- For FY2025, the data presented covers 100% operations of the following entities: Samchem Inorganic Chemicals Sdn Bhd, Samsentosa Chemicals Sdn Bhd., Samchem Nusajaya Sdn Bhd, Samchem Industries Sdn Bhd, Samchem Sdn Bhd, Samchem Lubricants Sdn Bhd, Samchem Logistics Services Sdn Bhd, SC Udes Sdn Bhd, SC Terminals Sdn Bhd, and CKJ Logistics Sdn Bhd.

Samchem continues to strengthen its climate change disclosures by maintaining a focus on carbon intensity as a key performance indicator. Moving beyond absolute GHG emissions reporting, the Group remains committed to assessing emissions relative to business performance, using revenue as the primary metric to calculate carbon intensity across Scope 1, Scope 2, and Scope 3 emissions. This approach enables a more meaningful evaluation of environmental performance in proportion to operational scale.

For FY2025, Samchem recorded a total emissions intensity over revenue of 6.29 tCO₂e/RM'million, reflecting an upward trend compared to FY2024, primarily driven by the expansion of its logistics operations and related activities.

As for Scope 2 emissions, the Group continues to monitor the intensity against its reduction targets. In FY2025, Scope 2 emissions intensity over revenue stood at 0.27 tCO₂e/RM'million. Samchem remains committed to achieving its emissions intensity reduction target and will continue enhancing energy management practices, data accuracy, and operational efficiency across its facilities.

GHG Intensity over Revenue (tCO ₂ e/RM'million)	FY2023	FY2024	FY2025
Scope 1	6.90	2.66	5.49
Scope 2	0.21	0.17	0.27
Scope 3	1.01	0.24 ¹	0.53
Total	8.12	3.07¹	6.29

Note:

- GHG intensity over revenue has been restated following the revision of Scope 3 emissions for FY2024.

Carbon Reduction Initiatives

In line with its carbon reduction approach, Samchem is progressively implementing initiatives to reduce operational emissions and increase the use of renewable energy across its facilities. During FY2025, Samchem strengthened its carbon reduction efforts through continued use of renewable energy, achieving total emissions avoidance of 105 tCO₂e, which represents 1.5% of the Group's total emissions.

Sustainability Statement

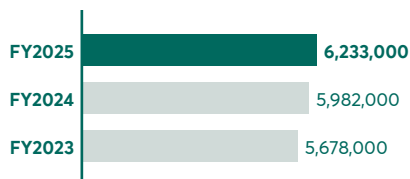
Water Consumption

Samchem actively monitors and manages water usage across its operations, implementing initiatives to reduce consumption, improve efficiency, and minimise environmental impact. The Group continues to source its water supply from local utilities for daily operations, with a strong focus on minimising consumption and maximising efficiency across all facilities. According to the World Resources Institute's Aqueduct Water Risk Atlas, none of the Group's Malaysian-based operations scoped in this report are located in high water-stress regions. Nevertheless, Samchem remains committed to responsible water stewardship through continuous monitoring, tracking, and the implementation of water conservation strategies.

The Group continued to improve water efficiency in FY2025. Initiatives include maintaining and upgrading piping systems to prevent leaks, expanding the installation of dual-flush toilet systems, and optimising the use of the rainwater harvesting system at the PIIP site. Regular water testing is also conducted to manage effluents and liquid waste effectively, ensuring compliance with environmental standards.

In FY2025, Samchem continued to track total water consumption across its operations, leveraging the baseline established in FY2024. These efforts provide valuable insights to identify further opportunities for water efficiency improvements, supporting the Group's broader environmental sustainability goals.

Total Water Consumption (Litres)



Water Performance Data (Litres)	FY2023	FY2024	FY2025
Water Withdrawal by Source:			
i. Surface water	0	0	0
ii. Groundwater	0	0	0
iii. Used quarry water	0	0	0
iv. Municipal potable water	5,678,000	5,982,000	6,233,000
v. External wastewater	0	0	0
vi. Harvested rainwater	0	0	0
vii. Ocean/Seawater	0	0	0
Total Water Withdrawal	5,678,000	5,982,000	6,233,000

Water Performance Data (Litres)	FY2023	FY2024	FY2025
Water Withdrawal from Water-Stressed Region	0%	0%	0%
Total Water Use/Consumption	5,678,000	5,982,000	6,233,000
Water/Effluent Discharge by Destination:			
i. Ocean Discharge	0	0	0
ii. Surface Water Discharge (lakes, rivers, natural ponds)	0	0	0
iii. Surface Discharge (wells, boreholes)	0	0	0
iv. Off-site Water Treatment Discharge	0	0	0
v. Beneficial/Other Use Discharge	0	0	0
Total Cost for Water Consumption (RM'mil)	0	0	0
Total Effluent/Water Discharged	5,678,000	5,982,000	6,233,000
Number of Incidents of Non-Compliances Associated with Water Quality Permits, Standards and Regulations	0	0	0

Note:

- For FY2023-FY2024, the data presented covers 100% operations of the following entities: Samchem Inorganic Chemicals Sdn Bhd, Samsentosa Chemicals Sdn Bhd, Eweny Chemicals Sdn Bhd, Samchem Nusajaya Sdn Bhd, Samchem Industries Sdn Bhd, Samchem Sdn Bhd, Samchem Lubricants Sdn Bhd, Samchemsphere Export Sdn Bhd, Samchem Logistics Services Sdn Bhd, SC Udes Sdn Bhd, SC Terminals Sdn Bhd, and CKJ Logistics Sdn Bhd.
- For FY2025, the data presented covers 100% operations of the following entities: Samchem Inorganic Chemicals Sdn Bhd, Samsentosa Chemicals Sdn Bhd, Samchem Nusajaya Sdn Bhd, Samchem Industries Sdn Bhd, Samchem Sdn Bhd, Samchem Lubricants Sdn Bhd, Samchem Logistics Services Sdn Bhd, SC Udes Sdn Bhd, SC Terminals Sdn Bhd, and CKJ Logistics Sdn Bhd.

Waste Management

Samchem is committed to responsible waste management across its operations, focusing on reducing waste generation, promoting recycling, and ensuring safe disposal in compliance with regulatory requirements. In FY2025, the Group strengthened its waste management and circularity practices, by maintaining robust segregation of general, recycled, and scheduled waste, ensuring compliance with local regulations and proper handling by approved and licensed waste collectors. Minimising waste enables Samchem to lower costs, improve operational efficiency, and strengthen its overall sustainability performance.

During the year, progress was made with several initiatives aimed at minimising waste generation at the source, notably an E-waste Collection Drive held in May 2025 at Samchem HQ. This event successfully diverted over 110 units of electronic waste from landfill, including laptops, smartphones, and mixed accessories. To encourage participation, the Group provided small disposal incentives, reinforcing a culture of circularity. This drive directly supported our commitment to the responsible disposal of hazardous components and promoted environmental stewardship across the workforce.

Samchem generated a total of 67.67 tonnes of waste in FY2025, compared to 2.09 tonnes in FY2024. In FY2025, our calculations included general waste from SAMCHEM HQ, SAMCHEM Pulau Indah, and Samchem Nusajaya, the Group’s three main operating warehouses, whereas previous years accounted only for scheduled waste.

The Group’s certified sites remained fully compliant in FY2025, with 42.86% of sites covered under ISO 14001:2015 Environmental Management Systems (EMS) and Eco-Management Audit Scheme (EMAS) certifications. This ongoing coverage ensures consistent application of best practices in environmental management across operations. Looking forward, Samchem continues to evaluate opportunities to expand certification to additional sites, reinforcing its commitment to structured environmental governance and continuous improvement.

Total Scheduled Waste Generation (Tonnes)



Waste Generated (Tonnes)	FY2023	FY2024	FY2025
Total waste generated	0.60	2.09	67.67
i. Diverted from disposal	—	0.72	0.33
ii. Directed to disposal	—	1.37	67.34
Hazardous waste	0.60	0.72	21.33
Non-hazardous waste	—	1.37	46.34

Note:

- For FY2023-FY2024, the Group only monitors scheduled waste generation within the business compounds. The data presented covers 100% operations of the following entities: Samchem Inorganic Chemicals Sdn Bhd, Samsentosa Chemicals Sdn Bhd, Eweny Chemicals Sdn Bhd, Samchem Nusajaya Sdn Bhd, Samchem Industries Sdn Bhd, Samchem Sdn Bhd, Samchem Lubricants Sdn Bhd, Samchemsphere Export Sdn Bhd, Samchem Logistics Services Sdn Bhd, SC Udes Sdn Bhd and SC Terminals Sdn Bhd.
- For FY2025, the data presented covers 100% operations of the following entities and includes monitoring of general waste: Samchem Inorganic Chemicals Sdn Bhd, Samsentosa Chemicals Sdn Bhd., Samchem Nusajaya Sdn Bhd, Samchem Industries Sdn Bhd, Samchem Sdn Bhd, Samchem Lubricants Sdn Bhd, Samchem Logistics Services Sdn Bhd, SC Udes Sdn Bhd, SC Terminals Sdn Bhd, and CKJ Logistics Sdn Bhd.

Resource Management

Optimising the use of resources is central to Samchem’s sustainable operations and long-term business resilience. To strengthen operational sustainability, the Group implements initiatives to monitor and reduce the consumption of key materials, promote reuse and recycling, and adopt sustainable alternatives where feasible.

In FY2025, Samchem continued to manage raw materials such as paper and plastics across its operations. Paper usage were closely monitored through the paperless invoicing system and other digitalisation initiatives, resulting in 6.7% reduction compared to FY2024. The Group also maintained focus on plastics consumption, using the baseline established in FY2024 to track progress and identify opportunities for further reductions. Additionally, the Group has expanded its disclosure of materials used to include packaging materials such as stretch film and pallets, reflecting a more comprehensive approach to resource management.

Ongoing efforts in FY2025, including monitoring and tracking material usage, promoting paperless processes, and expanding recycling and reuse practices, supported the Group’s broader sustainability objectives by conserving resources, minimising environmental impact, and promoting cost-effective operations. These measures also enhanced transparency and strengthened resource oversight, enabling the Group to more effectively reduce material intensity, mitigate ecological impact, and bolster long-term operational resilience across its distribution network.

Looking ahead, Samchem is exploring additional measures to enhance resource efficiency, including improved recycling practices and the adoption of sustainable alternatives where feasible.

Materials Used (Tonnes)	FY2024	FY2025
Raw Material:		
i. Paper	2.67	2.49
ii. Plastic	0	0
Total Raw Materials Used	2.67	2.49

Materials Used (Tonnes)	FY2024	FY2025
Packaging Material:		
i. Stretch Film	2.55	2.98
ii. Wooden Pallet	—	65.62
Total Packaging Materials Used	—	68.60

Note:

- For FY2024, the data presented covers 100% operations of the following entities: Samchem Inorganic Chemicals Sdn Bhd, Samsentosa Chemicals Sdn Bhd, Eweny Chemicals Sdn Bhd, Samchem Nusajaya Sdn Bhd, Samchem Industries Sdn Bhd, Samchem Sdn Bhd, Samchem Lubricants Sdn Bhd, Samchemsphere Export Sdn Bhd, Samchem Logistics Services Sdn Bhd, SC Udes Sdn Bhd, SC Terminals Sdn Bhd, and CKJ Logistics Sdn Bhd.

Sustainability Statement

- For FY2025, the data presented covers 100% operations of the following entities: Samchem Inorganic Chemicals Sdn Bhd, Samsentosa Chemicals Sdn Bhd., Samchem Nusajaya Sdn Bhd, Samchem Industries Sdn Bhd, Samchem Sdn Bhd, Samchem Lubricants Sdn Bhd, Samchem Logistics Services Sdn Bhd, SC Udes Sdn Bhd, SC Terminals Sdn Bhd, and CKJ Logistics Sdn Bhd.
- Plastic (raw material) for FY2024 has been restated as the material is now classified under Stretch Film packaging material.

Biodiversity

Samchem recognises the importance of biodiversity in supporting ecosystem balance, climate resilience, and sustainable business operations. The Group integrates biodiversity considerations into its strategy to mitigate environmental risks and promote responsible stewardship.

Biodiversity Initiatives

During the reporting year, the key initiatives centred on strengthening sustainable sourcing practices through responsible extraction, improved traceability, and enhanced conservation partnerships.

The Group remains focused on actively supporting biodiversity conservation through impactful initiatives at key ecological sites in Malaysia. During the year, Samchem reinforced its commitment to mangrove restoration by planting 170 mangrove saplings at Paya Indah Discovery Wetlands and 200 saplings at Matang Mangrove Forest Reserve Eco Park, complementing prior efforts and strengthening coastal resilience against erosion and climate-related impacts. These mangroves are expected to contribute meaningfully to long-term carbon sequestration while enhancing habitat stability and supporting marine biodiversity. The 370 mangrove saplings planted have an estimated carbon sequestration potential of 453,028 kg CO₂e for the lifetime of the tree.



Samchem reinforced its mangrove restoration commitment by planting a total of 370 mangrove saplings during the year.

Collectively, these initiatives reflect Samchem's ongoing dedication to environmental stewardship, climate mitigation, and biodiversity protection, while aligning with its broader sustainability framework and long-term value creation strategy.

Environmental Compliance

Environmental compliance remains a fundamental aspect of Samchem's commitment to responsible chemical distribution and operational excellence. The Group recognises that sound environmental practices are essential for minimising its operational footprint, mitigating environmental risks, and meeting the expectations of stakeholders in an environment where expectations are rising among stakeholders.

To proactively manage air quality impacts from its operations, Samchem continued operating the scrubber unit at Samchem Nusajaya to reduce airborne pollutants released into the environment. In addition to air quality control, Samchem maintains rigorous chemical assessment procedures, including the classification of hazardous materials, product labelling, and product declaration, to ensure safe handling, storage, and distribution of chemical products. These practices support compliance with regulatory standards and minimise the risk of environmental contamination.

The Group also continues to adhere to the DOE's Industrial Effluent Standard B under the Environmental Quality (Sewage and Industrial Effluents) Regulations, which sets permissible limits for wastewater discharge to protect inland waters and the environment.

For FY2025, the environmental monitoring results, including stack air emissions, ambient air quality, boundary noise levels, and water effluent quality continued to remain within the regulatory thresholds set by the DOE, demonstrating sustained compliance and effective environmental management.

Looking ahead, the Group will continue to refine its environmental monitoring practices, enhance data collection and reporting accuracy, and implement proactive control measures to uphold stringent standards and support continuous operational improvement in line with evolving regulatory requirements.

Social Topics

Labour and Human Rights

Upholding human rights is integral to Samchem’s ESG commitments, guiding ethical business conduct and responsible labour practices throughout its operations and supply chain. The Group conducts its business ethically and responsibly, guided by respect for the dignity and rights of all individuals.

This commitment is supported by the Group’s policies and compliance with applicable laws and regulations. Samchem’s Code of Conduct and Business Ethics strictly prohibits child labour, forced labour, human trafficking, and all forms of modern slavery. Other labour practices and commitments adopted in alignment with the International Bill of Human Rights include:

 <p>Upholding equal opportunity and non-discrimination of Race, Religion, Gender, Age, Disabilities and Nationality</p>	 <p>Respecting worker’s right to dignity at work</p>	 <p>Supporting a harassment-free and violence-free workplace</p>
 <p>Ensuring Equal Work for Equal Pay through compliance with Minimum Wage Order 2022 and laws governing working hours, overtime pay and fair compensation</p>	 <p>Prohibition and prevention of forced labour, debt bondage, human trafficking and all forms of modern slavery</p>	 <p>Recognition of children’s rights and prohibition and prevention of child labour</p>
 <p>Respecting employees’ right to Wellness, Mental Health and Work-Life Balance</p>	 <p>Minimum notice period for changes in terms of duties, work location or other operational changes</p>	 <p>Upholding the right to safe working conditions</p>

The Group adopts a proactive approach to monitoring and enhancing its human rights practices. These measures have proven effective, with no substantiated human rights-related complaints reported in FY2025. The Group remains committed to continuous improvement and to maintaining a workplace and business environment grounded in respect, fairness, and ethical conduct.

Diversity and Equal Opportunity

Samchem recognises that a diverse and inclusive workforce is critical to its success. The Group is committed to creating an environment where all employees are treated fairly, valued for their contributions, and empowered to thrive. Samchem’s approach is founded on providing equal opportunities for all qualified Malaysians, particularly in the regions where it operates, and promoting diversity, equity, and inclusion across its talent management practices. By ensuring equality of opportunity and fostering an inclusive environment, Samchem enables every individual to contribute their skills to the fullest.

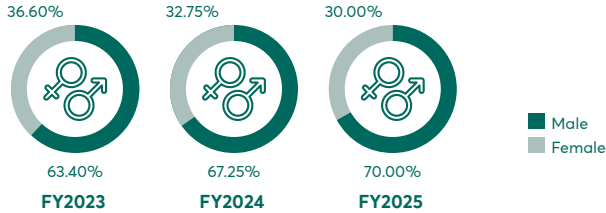
This commitment is championed from the top down, with senior management collaborating with hiring managers to prioritise diversity and fairness in all employment decisions. To translate principles into practice, Samchem conducts regular, data-driven reviews of workforce composition at both departmental and organisational levels, considering diversity across dimensions beyond ethnicity and gender where relevant. These reviews provide insights that inform targeted actions, such as refining recruitment strategies, implementing development programmes, and reinforcing inclusive leadership training, whenever gaps or discrepancies are identified.

The following outlines the Group’s FY2025 workforce data:

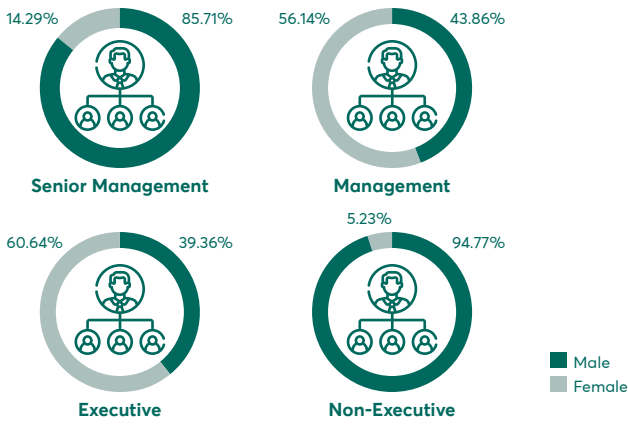
Workforce Data	FY2023	FY2024	FY2025
Total Workforce	235	287	330
Permanent	96%	97.90%	96.97%
Temporary/Contractors	4%	2.10%	3.03%
Male	149 (63%)	193 (67%)	231 (70%)
Female	86 (37%)	94 (33%)	99 (30%)
Staff with Disabilities	—	0%	0%

Sustainability Statement

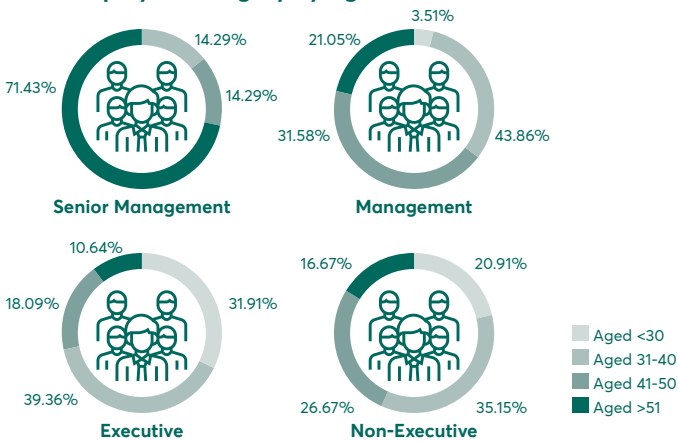
Total Employees (Gender)



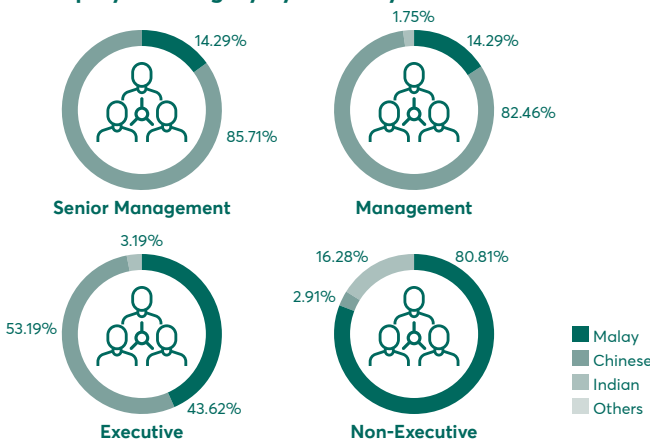
Employee Category by Gender in FY2025



Employee Category by Age in FY2025



Employee Category by Ethnicity in FY2025



Talent Management and Development

Samchem believes in empowering its employees through strategic talent management, by providing fair opportunities and supportive engagement, recognising that their growth drives the organisation forward. As part of its commitment to sustainable growth and talent retention, the Group offers competitive compensation packages, the Group provides competitive compensation and benefits, including statutory entitlements and defined contribution plans, as detailed in the Annual Report's financial statements.

FY2025 Recruitment:
88 New Hires

Hiring and Attrition

Samchem emphasises recruitment practices that balance organisational needs with opportunities for local talent development. recruitment practices that align with organisational needs while creating opportunities for local

talent development. The Group seeks candidates whose skills, values, and mindset complement its culture and strategic objectives. Local talent is prioritised for both management and non-management roles wherever possible.


Samchem's employee retention approach combines competitive remuneration, clear career progression opportunities, targeted learning and development programs, and ongoing engagement initiatives tailored to individual needs. This holistic approach enhances job satisfaction, well-being, and security while ensuring operational stability and continuity.

The Group has set a target to reduce its employee attrition rate to 15%. The full-time voluntary staff turnover rate in FY2025 was 100%, with the majority of departures occurring among logistic staffs (lorry drivers). The table below presents employee turnover by category:

Turnover by Employee Category	FY2023	FY2024	FY2025
Senior Management	1	0	0
Managers/Assistant Managers	4	1	2
Executives	9	8	14
Non-Executives	31	44	55
Total Turnover	45	53	71
Full time Staff Voluntary Turnover Rates of Total Turnover	100%	100%	100%

In addition, Samchem provides parental leave for all eligible employees, offering 98 days of paid leave for female employees and 7 days for male employees. Data on parental leave utilisation and employee retention are presented below:

Parental Benefits Data	FY2023	FY2024	FY2025
Employees Entitled for Maternity and Paternity Leave	5	10	11
Employees who took paternity leave	2	6	6
Employees who took maternity leave	3	4	5
Return to Work (After parental leave period)	5 (100%)	10 (100%)	11 (100%)
Male	2	6	6
Female	3	4	5
Retention Rate (Stay with the organisation for 12+ months after parental leave)	5 (100%)	10 (100%)	11 (100%)
Male	2	6	6
Female	3	4	5



100% of employees had appraisals in FY2025

Training and Professional Development

Samchem recognises that continuous learning and skills development are essential to maintaining a capable and competitive workforce. In line with the UNSDG Goal 8 "Decent Work and Economic Growth", the

Group is committed to ongoing personal and professional development to support career growth, talent retention, and organisational performance.

Samchem supports this commitment by offering tailored training programmes covering skills development, advanced technologies, sustainable practices, and regulatory compliance, ensuring employees remain equipped to meet the evolving demands of the chemical industry. Additionally, employees are encouraged to collaborate, innovate, and actively engage in mentorship programmes, industry-related events, specialised workshops, and research initiatives.

In line with the Group's approach to continuous learning and equitable access to training, Samchem sets an annual target of an average of eight training hours per

employee. This structured approach promotes workforce diversity and inclusion by ensuring equal opportunities for all employees to enhance their skills and advance professionally within the organisation.

In FY2025, the Group achieved an average training hours per employee of 8.18, surpassing its annual training target. Details of the training programmes conducted, and the total training hours recorded by Samchem are disclosed below.



FY2025
Total Training:
2,807 hours

Types of Training Conducted:

- Accounting, Taxation & Financial Compliance
- Corporate Governance & Financial Reporting
- Trade, Supply Chain & Business Operations
- Occupational Safety & Health (OSH) Training
- Leadership, Communication & Management Skills
- ESG, Sustainability & Compliance
- HR & Employee Development
- IT & Digital Skills

Training Hours by Employee Category	FY2023	FY2024	FY2025
Senior Management	63	210	259
Managers/Assistant Managers	133	924	966
Executives	119	1,162	889
Non-Executives	63	574	693
Total Training Hours as a Company	378	2,870	2,807
Average Training Hours per Employee	1.61	9.96	8.18

Employee Engagement and Satisfaction

At Samchem, an engaged workforce drives motivation, productivity, collaboration, and a positive workplace culture. The Group actively promotes initiatives that connect employees, encourage communication, and support professional development.

Reflecting the Group's commitment to employee engagement efforts, Samchem organised a range of interactive initiatives aimed at strengthening employee engagement, including festive celebrations, team-building activities, and knowledge-sharing sessions focused on professional development. In addition, dialogue sessions were conducted to encourage open communication between employees and management, further strengthening workplace relationships and collaboration.

Sustainability Statement

The following employee engagement activities were conducted in FY2025, utilising a budget of RM108,586:

- ◉ 'Buka Puasa' Dinner at Mardhiyyah Hotel**
- ◉ Matang Mangrove, Taiping**
- ◉ Zumba**
- ◉ CNY Celebration**
- ◉ Monopoly Run at Elmina**
- ◉ Badminton**
- ◉ CSR at Paya Indah Discovery Wetlands**
- ◉ Spastic Charity Run**
- ◉ Pickleball**



Occupational Safety and Health

Samchem places the highest priority on occupational safety and health (OSH), integrating robust OSH practices into its operational strategy to protect employees, contractors, and business continuity, in line with the UNSDG Goal 3, "Good Health and Well-being". The Group recognises that OSH incidents can lead to operational disruptions, productivity setbacks, legal liabilities, reputational damage, and, in severe cases, loss of life. Accordingly, Samchem prioritises proactive OSH management, continuously monitoring risks and implementing preventive measures to protect lives and maintain operational stability.

Safety Management and Control Measures

As a commitment to workplace safety, Samchem maintains an OSH management system fully compliant with applicable Malaysian regulations, including the Occupational Safety and Health Act 1994 and supporting guidelines such as the Guidelines on Occupational Safety and Health Management Systems (2014) and the Guidelines for Hazard Identification, Risk Assessment, and Risk Control (HIRARC) 2008. As at FY2025, the group sites operated in alignment with the ISO 45001 occupational health and safety management framework, demonstrating adherence to structured health and safety management practices. The Group also adheres to industry-specific regulations covering chemical handling, hazardous materials storage, transport safety, and accident notification requirements.

Samchem ensures a safe working environment by maintaining well-equipped operational sites and robust safety infrastructure. The Group's HSE framework regularly reviews safety protocols, supported by internal and customer audits to monitor and improve OSH performance. Additionally, Hazard Identification, Risk Assessment, and Risk Control (HIRARC) assessments are systematically conducted across operations to proactively identify and mitigate workplace safety and health risks. The Board maintains the overall oversight of occupational health and safety matters, with regular reporting provided to the Audit and Risk Management Committee. The Chairman of the ARMC holds primary responsibility at Board level for monitoring health and safety risk management. At the operational level, Group Monitoring HSE Committee meetings are chaired by the Group CEO.

Samchem is committed to building OSH competency across its workforce. Emergency Response Teams (ERT) receive regular training in critical areas, including first aid, evacuation procedures, rescue operations, firefighting, and incident investigation. The Group also provides comprehensive medical check-ups every two years, complemented by regular health screenings and wellness programmes that promote healthier lifestyles, fostering a safe, supportive, and caring workplace environment.

OSH Performance Monitoring

Samchem continues to maintain a proactive approach to occupational safety and health, monitoring performance against established targets. In FY2025, no incidents of safety non-compliance were reported. The Lost Time Injury (LTI) rate stood at 1.13, providing a baseline for future performance improvements.

OSH Site Data	FY2023	FY2024	FY2025
No. of Employees trained on Health and Safety Standards	35	111	163
Total Manhours Worked	-	519,224	532,280
Total Work-Related Fatalities	0	0	0
i. No. of Work-Related Employee Fatalities	0	0	0
ii. No. of Work-Related Contractor Fatalities	0	0	0
Lost Time Incident Rate (LTIR)	4.24	1.12	1.13

Note: LTIR is calculated as a rate, where the number of lost time incidents during the reporting period are expressed per the total number of hours worked as at the end of the reporting period, calculated as No. of Lost Time Incidents / Total Manhours Worked x 200,000, where 200,000 represents a standardised value of the total amount of hours that 100 employees work weekly for 40 hours for a duration of 50 weeks. No. of Lost Time Incidents refer to those incidents where an employee is unable to return to work for at least one full work day following the day of the injury.

To uphold a safe and responsible workplace, Samchem maintains structured processes for reporting and investigating incidents. Findings are reviewed quarterly by the safety committee, which includes employee representatives, enabling transparent oversight and continuous improvement in occupational safety and health practices.



Total investment in community engagement amounted to **RM108,586**, reaching approximately 60 beneficiaries.

Note: Beneficiary numbers are based on available data. Limitations in data collection, particularly for large-scale events, may affect the total count. The Group is enhancing its data collection practices to improve coverage and accuracy in future reporting.


Local Community Development

Samchem recognises community engagement as a key pillar of its sustainability strategy, integrating environmental stewardship and responsible practices into its initiatives to support long-term societal and ecological well-being. Aligned with the Group's commitment to responsible chemical management and minimising environmental impact, Samchem's community investment strategy prioritises environmental conservation, ecological stewardship, and raising awareness of sustainable practices.

Sustainability Statement

In FY2025, the Group continued to focus on community and environmental initiatives through targeted CSR activities. Building on the previous year's efforts, employees participated in the mangrove tree-planting initiative at Paya Indah Discovery Wetlands and Matang Mangrove Forest Reserve Eco Park, contributing RM45,076 towards biodiversity preservation and climate resilience.

The tables below summarise the Group's related investments in community engagement programmes in FY2025:

Community Outreach Programmes
<p>10 November 2025</p>  <p>Charity Contribution – Persatuan TCM Harapan Baru Ipoh, Perak</p> <p><u>Description:</u> As part of our community support initiatives, two sessions were conducted in Ipoh to distribute food and essential items to underprivileged members of the community, supporting local well-being and social sustainability.</p> <p><u>Impact:</u> Assisted vulnerable community members through direct aid and engagement.</p> <p><u>Contribution:</u> RM1,800</p> <p><u>Employee Volunteering Hours:</u> 15 hours</p>

Community Outreach Programmes
<p>24 – 26 October 2025</p>  <p>AICOVE (Asia International Commercial Vehicle Expo) Participation – MIECC, The Mines</p> <p><u>Description:</u> Participated alongside Shell in the 3-day AICOVE event to promote brand awareness, strengthen industry presence, and engage with potential customers and business partners.</p> <p><u>Impact:</u> Enhanced visibility within the commercial vehicle sector and reinforced strategic partnerships.</p> <p><u>Contribution:</u> Samchem provided technical advisory (sponsored by Shell).</p> <p><u>Employee Volunteering Hours:</u> 144 hours</p>

These initiatives reflect Samchem's commitment to supporting local communities and protecting ecosystems, reinforcing its role as an environmentally responsible business in the chemical industry. The Group's ecological stewardship complements its focus on responsible chemical management, minimising environmental impact, and promoting sustainable industry practices.

Governance Pillar

Good Governance and Anti-Corruption

Upholding integrity and ethical conduct are central to Samchem's business practices. Samchem enforces a zero-tolerance approach to bribery and corruption, in all engagements involving the Group, its subsidiaries, suppliers, and business associates. This commitment is outlined in the Group's Anti-Bribery and Corruption Policy, which aligns with Section 17A of the Malaysian Anti-Corruption Commission (MACC) (Amendment) Act 2018. The policy also clearly defines prohibited actions

that apply universally, requiring full compliance from all Directors, employees, and representatives.

The Board, as the highest governing body, oversees Samchem’s anti-corruption efforts. Directors regularly participate in training to ensure consistent adherence to governance and regulatory expectations, while all employees are briefed on the Group’s anti-corruption requirements during onboarding.

To encourage reporting of suspected misconduct, the Group maintains confidential whistleblowing channels that ensure anonymity and protection against retaliation. The effectiveness of these measures is monitored by the ARMC, and clear disciplinary actions are in place for any violations of the policy.

Anti-Corruption Data	FY2023	FY2024	FY2025
Percentage of employees who have received training on anti-corruption by employee category	0	0	6.40%
• Senior Management	0	0	1.52%
• Managers/Assistant Managers	0	0	4.88%
• Executives	0	0	0
• Non-Executives	0	0	0
Percentage of operations assessed for corruption-related risks	0	0	0
Number of confirmed corruption incidents	0	0	0
Cost of fines, penalties or settlements in relation to corruption	0	0	0
Number of staff disciplined/ dismissed due to non-compliance with Anti-Bribery and Corruption Policy	0	0	0
Total amount of political contribution (RM)	0	0	0

Note: Under the Samchem Anti-Bribery and Corruption Policy, Samchem does not allow contributions or sponsorship to political parties.

Environmental and Social Regulatory Compliance

Samchem ensures full compliance with all applicable environmental and social laws, regulations, and policies across every jurisdiction in which it operates. This strict adherence protects the Group from potential penalties, sanctions, or licence risks, while safeguarding its reputation and maintaining the confidence of employees, customers, suppliers, and other stakeholders. Reflecting its ongoing commitment to responsible conduct, Samchem recorded zero incidents of noncompliance during the reporting year.

Regulatory Compliance Data	FY2023	FY2024	FY2025
Has the company and/or subsidiaries been fined or censured for any environmental non-compliance?	0	0	0
Has the company and/or subsidiaries been fined or censured for any socioeconomic non-compliance?	0	0	0
Incidents of non-compliance with regulations resulting in a fine or penalty;	0	0	0
Incidents of non-compliance with regulations resulting in a warning;	0	0	0
Total monetary value of significant fines;	0	0	0
Total number of non-monetary sanctions;	0	0	0
Cases brought through dispute resolution mechanisms.	0	0	0
Number of suppliers assessed for social regulatory compliance/criteria	0	4	3
Number of suppliers assessed for environment regulatory compliance/criteria	0	4	3

Samchem ensures the accuracy and reliability of its financial and corporate governance disclosures, maintaining full compliance with all relevant legal and regulatory requirements.

AGM Data	FY2023	FY2024	FY2025
AGM Notice Filing Date	28-04-2023	30-04-2024	30-04-2026
AGM Date	31-05-2023	30-05-2024	05-06-2026
No. of days between the date of notice and date of meeting	28	28	28

Note: Please refer to page 142 of this Annual Report for the FY2025 Notice of AGM.

Responsible Product Handling

Samchem’s active participation in the Responsible Care® initiative, under the Chemical Industries Council of Malaysia reflects its dedication to enhance its health, safety, and environmental practices across all operations. Employees receive regular, targeted training to ensure preparedness for effectively managing

Sustainability Statement

potential incidents. The Group’s operational framework aligns with Responsible Care® principles, prioritising compliance with environmental standards while safeguarding the health and wellbeing of employees and surrounding communities. Samchem remains dedicated to strengthening its safety culture through proactive measures aimed at minimising risks, preventing accidents, and promoting sustainable operational practices.

Sustainable Supply Chain

Samchem remains committed to promoting sustainability and ethical practices within its supply chain to create value responsibly, mitigate risks, and reinforce its ESG commitments across all operations. The Group actively collaborates with suppliers that demonstrate fairness, transparency, and ethical responsibility to uphold environmental and social standards, promoting responsible business practices throughout its value chain. This commitment includes strict adherence to laws such as the Workers’ Minimum Standards of Housing and Amenities Act and a firm prohibition of any form of child or forced labour within its supply chain.



Sustainable Supply Chain Commitments

Samchem is committed to upholding stringent environmental and social standards across its supply chain in adherence to the following key commitments:

- **Environmental Issues:** Addressing environmental issues and concerns
- **Energy Use:** Reducing energy consumption and enhancing energy efficiency
- **Climate Change:** Reducing carbon footprint and GHG emissions
- **Water Use:** Ensuring sustainable water use
- **Biodiversity:** Protecting ecosystems by avoiding harmful practices and minimising potential impacts
- **Resource Use:** Encouraging responsible sourcing and sustainable resource utilisation
- **Waste Management:** Prioritising waste reduction, reuse, and recycling
- **Pollution:** Minimising pollution through rigorous waste management and emission control
- **Child Labour Prevention:** Prohibiting child labour across the supply chain

- **Forced Labour Prevention:** Promoting voluntary employment and opposing forced or compulsory labour
- **Non-Discrimination and Equal Opportunities:** Fostering diversity, inclusion, and equality for all employees, workers and suppliers
- **Freedom of Association and Collective Bargaining:** Upholding universal rights to freedom of association, union establishment and collective bargaining
- **Working Hours:** Eliminating or reducing excessive working hours and encouraging fair working conditions
- **Minimum Wage:** Guaranteeing a minimum or living wage to meet employees’ basic needs
- **Health and Safety Standards:** Maintaining high safety standards to protect employee well-being across the supply chain

Data Privacy and Security

Protecting customer data remains a top priority for Samchem. The Group is committed to ensuring the confidentiality, integrity, and security of sensitive information, in full compliance with the Personal Data Protection Act 2010 (PDPA). Data is safeguarded through robust cybersecurity measures, including secure systems, continuous monitoring, and proactive mechanisms to mitigate potential risks.

In FY2025, Samchem continued to fully comply with PDPA requirements, recording zero substantiated incidents or complaints related to data breaches or loss of customer information. Employees found misusing data are subject to stringent disciplinary actions, reflecting the Group’s steadfast commitment to ethical conduct and regulatory compliance.



Data Privacy and Security:
0 incidents in FY2025

Data Privacy	FY2023	FY2024	FY2025
Number of substantiated complaints concerning breaches of customer privacy and loss of customer data	0	0	0

Appendices

ESG Performance Data Table

Indicators	Unit	FY2023	FY2024	FY2025		
Anti-Corruption						
Bursa C1(a): Percentage of employees who have received training on anti-corruption by employee category	%	0	0	6.40		
• Senior Management	%	0	0	1.52		
• Management	%	0	0	4.88		
• Executive	%	0	0	0.00		
• Non-Executive	%	0	0	0.00		
Bursa C1(b): Percentage of operations assessed for corruption related risks	%	0	0	0		
Bursa C1(c): Confirmed incidents of corruption	Number	0	0	0		
Community/Society						
Bursa C2(a): Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	19,787	26,040	108,586		
Bursa C2(b): Total number of beneficiaries of the investment in communities	Number	2	2	60		
Diversity						
Bursa C3(a): Percentage of employees by gender and age group, for each employee category:						
Age:	• Senior Management	Aged <30	%	—	0.00	0.00
		Aged 31-50	%	—	60.00	28.57
		Aged >51	%	—	40.00	71.43
	• Management	Aged <30	%	—	4.35	3.51
		Aged 31-50	%	—	80.43	75.44
		Aged >51	%	—	15.22	21.05
	• Executive	Aged <30	%	—	38.75	31.91
		Aged 31-50	%	—	51.25	57.45
		Aged >51	%	—	10.00	10.64
	• Non-Executive	Aged <30	%	—	21.23	21.51
		Aged 31-50	%	—	58.91	61.82
		Aged >51	%	—	19.86	16.67
Gender:	• Senior Management	Male	%	43.21	40.00	85.71
		Female	%	56.79	60.00	14.29
	• Management	Male	%	45.64	50.00	43.86
		Female	%	54.36	50.00	56.14
	• Executive	Male	%	36.92	36.25	39.36
		Female	%	63.08	63.75	60.64
	• Non-Executive	Male	%	89.64	92.47	94.77
		Female	%	10.36	7.53	5.23
	Bursa C3(b): Percentage of directors by gender and age group:					
	• Male	%	—	83.30	83.30	
	• Female	%	—	16.70	16.70	
	• Aged <30	%	—	0.00	0.00	
• Aged 31-50	%	—	16.70	16.70		
• Aged 51-65	%	—	33.30	16.70		
• Aged >65	%	—	50.00	67.00		

Sustainability Statement

ESG Performance Data Table (continued)

Indicators	Unit	FY2023	FY2024	FY2025
Energy Management				
Bursa C4(a): Total energy consumption	GJ	38,353.00	46,010.00	86,290.00
	MWh	10,654.00	11,872.19	23,969.44
Health and Safety				
Bursa C5(a): Number of work-related fatalities	Number	0	0	0
Bursa C5(b): Lost time incident rate	Rate	4.24	1.12	1.13
Bursa C5(c): Number of employees trained on health and safety standards	Number	35	111	163
Labour Practices and Standards				
Bursa C6(a): Total hours of training by employee category:	Hour	378	2,870	2,807
• Senior Management	Hour	63	210	259
• Management	Hour	133	924	966
• Executive	Hour	119	1,162	889
• Non-Executive	Hour	63	574	693
Bursa C6(b): Percentage of employees that are contractors or temporary staff	%	4.00	2.10	3.03
Bursa C6(c): Total number of employee turnover by employee category	Number	45	53	71
• Senior Management	Number	1	0	0
• Management	Number	4	1	2
• Executive	Number	9	8	14
• Non-Executive	Number	31	44	55
Bursa C6(d): Number of substantiated complaints concerning human rights violations	Number	0	0	0
Supply Chain Management				
Bursa C7(a): Proportion of spending on local suppliers	%	51.61	49.28	48.58
Data Privacy and Security				
Bursa C8(a): Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Water				
Bursa C9(a): Total volume of water used	Megalitres	5.68	5.98	6.23
Waste Management				
Bursa C10(a): Total waste generated, and a breakdown of the following:	Tonnes	0.60	2.09	67.67
(i) total waste diverted from disposal	%	—	34.45	0.49
(ii) total waste directed to disposal	%	—	65.55	99.51
Emissions Management				
Bursa C11(a): Scope 1 emissions	tCO ₂ e	8,022.00	3,235.44	6,089.00
Bursa C11(b): Scope 2 emissions	tCO ₂ e	245.00	203.00	298.00
Bursa C11(c): Scope 3 emissions:	tCO ₂ e	1,179.00	295.00	591.00
• Employee Commuting	tCO ₂ e	—	238.00	535.00
• Business Travel	tCO ₂ e	—	57.00	25.00

SASB Disclosure

Chemicals

Code	Description	Disclosure/Performance/Location
Greenhouse Gas Emissions		
RT-CH-110a.1	(1) Gross global Scope 1 emissions (tCO ₂ e), percentage covered (%) under (2) emissions-limiting regulations and (3) emissions-reporting regulations	(1) 6,089 tCO ₂ e of gross global Scope 1 emissions were emitted (2) Malaysia does not currently have an emissions-limiting regulation (3) 100% of gross global Scope 1 emissions is covered under the NSRF.
RT-CH-110a.3	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Please refer to GHG Emission on page 42 for further details.
Energy Management		
RT-CH-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable and (4) total selfgenerated energy ¹	(1) 86,290 GJ of energy consumed, (2) 64.7% from grid electricity, (3) 35.3% from renewable energy sources, (4) 687 GJ of self-generated energy. Please refer to Energy Management on pages 41-43 for further details.
Water Management		
RT-CH-140a.1	(1) Total water withdrawn (m ³), (2) total water consumed (m ³); percentage of each in regions with High or Extremely High Baseline Water Stress (%)	(1) 6,233 m ³ of water was withdrawn, (2) 6,233 m ³ of water was consumed; 0% of water was withdrawn or consumed in regions with High or Extremely High Baseline Water Stress. Please refer to Water Performance on page 44.
RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations	In FY2025, the Group reported zero incidents of non-compliance related to water effluent quality permits, standards, and regulations. For detailed information, please refer to the Water Performance Data on page 44.
RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Please refer to Water and Effluents Management on page 44 for more details.
Hazardous Waste Management		
RT-CH-150a.1	(1) Amount of hazardous waste generated, (2) percentage recycled	(1) 21.33 Tonnes (2) 0.49%
Community Relations		
RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	The Group actively engages with local communities and invests in community engagement initiatives that support local development. Further details can be found under Local Community Development on page 51-52.
Workforce Health & Safety		
RT-CH-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	There are no work-related fatalities report. Please refer to Occupational Safety and Health Performance on page 51.
RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to longterm (chronic) health risks	Please refer to Occupational Safety and Health section on page 51.

Note: The relative metrics under the topics of Product Design for Use-phase Efficiency, Safety and Environmental Stewardship of Chemicals, Genetically Modified Organisms, Management of the Legal and Regulatory Environment, Operational Safety, and Emergency Preparedness and Response, including the activity metric, are not included as they are not applicable to Samchem's operations.

Sustainability Statement

Date & Time: 2026-04-17 09:12:37
FYE 31/12/2025

Samchem Holdings Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Anti-corruption)	Bursa C1(a): Percentage of employees who have received training on anti-corruption	Percentage	6.40%	-	No assurance
Bursa (Anti-corruption)	Bursa C1(a): Percentage of employees who have received training on anti-corruption by employee category - Senior Management	Percentage	1.52%	-	No assurance
Bursa (Anti-corruption)	Bursa C1(a): Percentage of employees who have received training on anti-corruption by employee category - Management	Percentage	4.88%	-	No assurance
Bursa (Anti-corruption)	Bursa C1(a): Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	0.00%	-	No assurance
Bursa (Anti-corruption)	Bursa C1(a): Percentage of employees who have received training on anti-corruption by employee category - Non-Executive	Percentage	0.00%	-	No assurance
Bursa (Anti-corruption)	Bursa C1(b): Percentage of operations assessed for corruption-related risks	Percentage	0	-	No assurance
Bursa (Anti-corruption)	Bursa C1(c): Confirmed incidents of corruption	Number	0	-	No assurance
Bursa (Community/Society)	Bursa C2(a): Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	108,586	-	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Community/Society)	Bursa C2(b): Total number of beneficiaries of the investment in communities	Number	60	-	No assurance
Bursa (Diversity)	Bursa C3(a): Percentage of employees by gender and age group, for each employee category: Senior Management Aged <30	Percentage	0.00	-	No assurance
Bursa (Diversity)	Bursa C3(a): Percentage of employees by gender and age group, for each employee category: Senior Management Aged 31 – 50	Percentage	28.57%	-	No assurance
Bursa (Diversity)	Bursa C3(a): Percentage of employees by gender and age group, for each employee category: Senior Management Aged >51	Percentage	71.43%	-	No assurance
Bursa (Diversity)	Bursa C3(a): Percentage of employees by gender and age group, for each employee category: Management Aged <30	Percentage	3.51%	-	No assurance
Bursa (Diversity)	Bursa C3(a): Percentage of employees by gender and age group, for each employee category: Management Aged 31 – 50	Percentage	75.44%	-	No assurance
Bursa (Diversity)	Bursa C3(a): Percentage of employees by gender and age group, for each employee category: Management Aged >51	Percentage	21.05%	-	No assurance

Sustainability Statement

Date & Time: 2026-04-17 09:12:37
 FYE 31/12/2025

Samchem Holdings Berhad
 BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	Bursa C3(a): Percentage of employees by gender and age group, for each employee category: Executive Aged <30	Percentage	31.91%	-	No assurance
Bursa (Diversity)	Bursa C3(a): Percentage of employees by gender and age group, for each employee category: Executive Aged 31 - 50	Percentage	57.45%	-	No assurance
Bursa (Diversity)	Bursa C3(a): Percentage of employees by gender and age group, for each employee category: Executive Aged >51	Percentage	10.64%	-	No assurance
Bursa (Diversity)	Bursa C3(a): Percentage of employees by gender and age group, for each employee category: Non-Executive Aged < 30	Percentage	21.51%	-	No assurance
Bursa (Diversity)	Bursa C3(a): Percentage of employees by gender and age group, for each employee category: Non-Executive Aged 31 - 50	Percentage	61.82%	-	No assurance
Bursa (Diversity)	Bursa C3(a): Percentage of employees by gender and age group, for each employee category: Non-Executive Aged > 51	Percentage	16.67%	-	No assurance
Bursa (Diversity)	Bursa C3(a): Percentage of employees by gender and age group, for each employee category: Senior Management Male	Percentage	85.71%	-	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	Bursa C3(a): Percentage of employees by gender and age group, for each employee category: Senior Management Female	Percentage	14.29%	-	No assurance
Bursa (Diversity)	Bursa C3(a): Percentage of employees by gender and age group, for each employee category: Management Male	Percentage	43.86%	-	No assurance
Bursa (Diversity)	Bursa C3(a): Percentage of employees by gender and age group, for each employee category: Management Female	Percentage	56.14%	-	No assurance
Bursa (Diversity)	Bursa C3(a): Percentage of employees by gender and age group, for each employee category: Executive Male	Percentage	39.36%	-	No assurance
Bursa (Diversity)	Bursa C3(a): Percentage of employees by gender and age group, for each employee category: Executive Female	Percentage	60.64%	-	No assurance
Bursa (Diversity)	Bursa C3(a): Percentage of employees by gender and age group, for each employee category: Non-Executive Male	Percentage	94.77%	-	No assurance
Bursa (Diversity)	Bursa C3(a): Percentage of employees by gender and age group, for each employee category: Non-Executive Female	Percentage	5.23%	-	No assurance

Sustainability Statement

Date & Time: 2026-04-17 09:12:37
FYE 31/12/2025

Samchem Holdings Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	Bursa C3(b): Percentage of directors by gender and age group: Male	Percentage	83.30%	-	No assurance
Bursa (Diversity)	Bursa C3(b): Percentage of directors by gender and age group: Female	Percentage	16.70%	-	No assurance
Bursa (Diversity)	Bursa C3(b): Percentage of directors by gender and age group: Aged <30	Percentage	0.00%	-	No assurance
Bursa (Diversity)	Bursa C3(b): Percentage of directors by gender and age group: Aged 31 - 50	Percentage	16.70%	-	No assurance
Bursa (Diversity)	Bursa C3(b): Percentage of directors by gender and age group: Aged 51 - 65	Percentage	16.70%	-	No assurance
Bursa (Diversity)	Bursa C3(b): Percentage of directors by gender and age group: Aged >65	Percentage	6700%	-	No assurance
Bursa (Energy Management)	Bursa C4(a): Total energy consumption	GJ	86,290.00	-	No assurance
Bursa (Energy Management)	Bursa C4(a): Total energy consumption	MWh	23,969.44	-	No assurance
Bursa (Health and safety)	Bursa C5(a): Number of work-related fatalities	Number	0	0	No assurance
Bursa (Health and safety)	Bursa C5(b): Lost time incident rate	Rate	1.13	1.5	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Health and safety)	Bursa C5(c): Number of employees trained on health and safety standards	Number	163	-	No assurance
Bursa (Labour practices and standards)	Bursa C6(a): Total hours of training for employee	Hour	2,807	-	No assurance
Bursa (Labour practices and standards)	Bursa C6(a): Total hours of training by employee category: Senior Management	Hour	259	-	No assurance
Bursa (Labour practices and standards)	Bursa C6(a): Total hours of training by employee category: Management	Hour	966	-	No assurance
Bursa (Labour practices and standards)	Bursa C6(a): Total hours of training by employee category: Executive	Hour	889	-	No assurance
Bursa (Labour practices and standards)	Bursa C6(a): Total hours of training by employee category: Non-Executive	Hour	693	-	No assurance
Bursa (Labour practices and standards)	Bursa C6(b): Percentage of employees that are contractors or temporary staff	Percentage	3.03	-	No assurance
Bursa (Labour practices and standards)	Bursa C6(c): Total number of employee turnover	Number	71	-	No assurance
Bursa (Labour practices and standards)	Bursa C6(c): Total number of employee turnover by employee category - Senior Management	Number	0	-	No assurance
Bursa (Labour practices and standards)	Bursa C6(c): Total number of employee turnover by employee category -- Management	Number	2	-	No assurance

Sustainability Statement

Date & Time: 2026-04-17 09:12:37
FYE 31/12/2025

Samchem Holdings Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Labour practices and standards)	Bursa C6(c): Total number of employee turnover by employee category - Executive	Number	14	-	No assurance
Bursa (Labour practices and standards)	Bursa C6(c): Total number of employee turnover by employee category - Non-Executive	Number	55	-	No assurance
Bursa (Labour practices and standards)	Bursa C6(d): Number of substantiated complaints concerning human rights violations	Number	0	-	No assurance
Bursa (Supply chain management)	Bursa C7(a): Proportion of spending on local suppliers	Percentage	48.58%	-	No assurance
Bursa (Data privacy and security)	Bursa C8(a): Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	-	No assurance
Bursa (Water)	Bursa C9(a): Total volume of water used	Megalitres	6.23	-	No assurance
Bursa (Waste Management)	Bursa C10(a): Total waste generated	Tonnes	6767	-	No assurance
Bursa (Waste Management)	Bursa C10(a): Total waste generated and a breakdown of the following: i. total waste diverted from disposal	Percentage	* 0.49%	-	No assurance
Footnote 2025	Revision made to reflect updated calculations				
Bursa (Waste Management)	Bursa C10(a): Total waste generated and a breakdown of the following: ii. total waste directed to disposal	Percentage	* 99.51%	-	No assurance
Footnote 2025	Revision made to reflect updated calculations				

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Emissions Management)	Bursa C11(a): Scope 1 emissions	tCO2e	6,089	-	No assurance
Bursa (Emissions Management)	Bursa C11(b): Scope 2 emissions	tCO2e	298	-	No assurance
Bursa (Emissions Management)	Bursa C11(c): Scope 3 emissions	tCO2e	591	-	No assurance
Bursa (Emissions Management)	Bursa C11(c): Scope 3 emissions: - Employee Commuting	tCO2e	535	-	No assurance
Bursa (Emissions Management)	Bursa C11(c): Scope 3 emissions: - Business Travel	tCO2e	25	-	No assurance

Statement on Risk Management and Internal Control

Introduction

This Statement on Risk Management and Internal Control is made in accordance with the Statement on Risk Management and Internal Control: *Guidelines for Directors of Listed Companies* and paragraph 15.26(b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, which requires Malaysian public listed companies to maintain a sound system of risk management and internal control to safeguard the shareholders' investments and the Group's assets.

Board Responsibilities

The Board acknowledges its responsibilities and reaffirms its commitment to recognise the importance of having an effective and appropriate system of risk management and internal control to enhance good corporate governance. In this respect, the Board is responsible for identifying principal risks, ensuring the implementation of appropriate systems to manage these risks and reviewing the adequacy and integrity of the Group's systems of risk management and internal control.

The systems of risk management and internal control cover inter alia, governance, financial organization, operational and compliance control. However, the Board recognizes that this system is designed to manage and control risk appropriately rather than eliminate the risks of failure to achieve the Group's business objectives. Accordingly, this system can only provide reasonable, but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The Board also acknowledges the guidelines on the Statement on Risk Management and Internal Control (*Guidelines for Directors of Listed Companies*) which further emphasizes the need for maintaining a sound system of risk management and internal control.

The management also assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced by the Group, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

Risk Management Framework

The Audit and Risk Management Committee (ARMC) comprises of members who are all independent directors of the Group to oversee the Company's risk management framework and policies.

The ARMC is primarily tasked to identify, evaluate and manage the significant risks faced by the core business of the Group and to review the Risk Registers annually. In discharging its duties and responsibilities during the financial year, the ARMC reviewed, deliberated and discussed the key corporate risks at its quarterly Board meetings. During the later part of the 4th quarter of 2025, an internal assessment of the Group's risk profiles against the prevailing operating conditions was undertaken by the management team and the internal auditors. The assessment also involved the identification of any new enterprise risks that may be material to the Group. All identified risks were also reviewed for their impact's intensity. All risks were then ranked from low, medium or high based on their likelihood of occurrence and their financial impact to strategise the risk management priorities and initiatives to be undertaken for FY2026. The findings and the recommendations were then deliberated with the ARMC first before the final proposal was discussed with the Board of Directors.

A culture of risk-awareness is created to ensure greater understanding of risk management and that its principles are embedded in the Group's management and control systems. The Board also relies largely on the close involvement of the Executive Directors of the Group and the senior management team in its daily operations. There are reviews of operational and financial performance at Management, ARMC and Board Meetings. Internal audit findings and opinions are also reviewed for the adequacy and effectiveness of the governance and risk control processes as well as the root causes to determine the right cause of corrective actions. The Board and Management ensure that appropriate measures are taken to address any significant risks. Other matters including proper disclosures in the financial reports, authority to carry out investigations, access to information and professional advice were also addressed.

The ARMC conducts annual review of the independence of the external auditors as well as internal auditors including their resource adequacies and competencies prior to recommendation for the appointment/re-appointment.

Internal Audit Function

The Group's Internal Audit function is outsourced to an external professional service provider (internal auditor) to assist the Board and ARMC in providing independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system and the scope of the outsourced internal audit function and internal audit plan is deliberated and determined annually by the ARMC with feedback from Management prior to the commencement of the internal audit work.

Under the internal audit plan the outsourced Internal Auditor will have to provide the ARMC with the human resources that has been planned to be deployed for the implementation of the audit. There must be at least one person who is a qualified competent auditor from a recognized and acceptable Institution to supervise the audit work. The annual audit plan shall be a risk based plan after due assessment of the Company's risks and due evaluation of the Company's risk profile. The internal audit function shall be carried out with reference to the principles of the International Professional Practice Framework of the Institute of Internal Auditors. The Internal Auditor works closely with the Management and the ARMC in evaluating and assessing the risk register.

Other Key Internal Control Processes

The Board has considered the system of internal controls in operation during the financial year and some of the key elements include the following:

- ✦ Annual budget is prepared for the Group.
- ✦ The Executive Directors and departmental heads meet quarterly to review the financial performance of the Group to ensure that they are in line with the corporate objectives, strategies and annual budget;
- ✦ Board Committees, namely the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee have been established with defined terms of reference. The terms of reference are updated where applicable to be in line with the latest Corporate Governance Guide issued by Bursa Malaysia;
- ✦ Management organisation structure with reporting lines of accountability and authority have been defined and documented;
- ✦ There are proper procedures in place within the Group for hiring and termination of staff, training of staff, annual performance appraisals and other relevant procedures to ensure that staff are motivated, competent and adequately trained in carrying out their responsibilities;
- ✦ Continuous compliance and maintenance of the requirements of the ISO 9001:2015 and ISO 14001:2015 systems in major subsidiaries in Malaysia. This includes continuous implementation, improvement and compliance to our business processes, quality control procedures, health, environmental and safety guidelines. Audits on the management systems are carried out by the Management and by a certification body. These audits are conducted periodically to provide assurance of compliance with the ISO 9001:2015 Quality Management System and ISO 14001:2015 Environmental Management System. In addition, the Group also implements stringent Health Safety Environment (HSE) initiatives in accordance with the applicable laws, regulations as well as Department of Safety and Health (DOSH) guidelines.
- ✦ The ARMC reviews the quarterly financial results, annual report, audited financial statements and internal control issues identified by the External Auditors, Internal Auditors and the management. The ARMC also reviews the effectiveness of the internal control processes and monitors the implementation of the recommendations proposed by the External Auditors and Internal Auditors.
- ✦ The outsourced internal audit function reviews the adequacy and integrity of the system of internal control according to the approved internal audit plan and reports its findings to the ARMC. During the financial year, some areas of improvement to the internal controls were identified and addressed accordingly. Improvements are recommended after identifying and reviewing the root cause. All recommended improvement plans and corrective actions will be followed up by monitoring the progress. Nevertheless, the identified weaknesses in the internal control have not resulted in any material impacts that require further disclosure in this Statement; and

Statement on Risk Management and Internal Control

ARMC and the Board also monitor the business continuity plan for the Group on an enterprise level for improvement opportunities which will consider the latest corporate governance, sustainability, environmental and social guidelines as well as the latest regulatory requirements. This is to prepare the Group with a more robust plan to meet future challenges and any eventualities. The ARMC and the Board have also discussed the disclosure requirements for sustainability reporting under the National Sustainability Reporting Framework and will plan for the necessary accordingly.

The ARMC will conduct a separate private meeting with the external and internal auditors to discuss any concerns and issues that require attention. There were no private meeting during the financial year as no matters required to be brought up to the attention of ARMC.

Assurance Provided by the Group Chief Executive Officer and Group Financial Controller

In line with the Guidelines, the Group Chief Executive Officer (CEO) and Group Financial Controller have provided verbal assurance to the Board stating that the Group's risk management and internal control systems have been operating adequately and effectively, in all material aspects, to meet the Group's objective during the financial year under review.

The Board is of the view that the risk management and internal control systems are satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

Conclusion

The Board is of the view that the systems of internal controls and risk management, are in place for the year under review and up to the date of approval of this statement and are sound and sufficient to safeguard the shareholders' investment, the interests of customers, regulators and employees, and the Group's assets.

The Board also recognizes that the systems of internal controls and risk management must continuously improve in line with the growth of the Group and evolving business environment. Therefore, the Board is committed to put in place adequate plans, where necessary, to continuously improve the Group's system of internal control and risk management.

Review of Statement on Internal Control by External Auditors

Pursuant to Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement on Risk Management and Internal Control under a limited assurance engagement. Their limited assurance engagement was performed in accordance with Audit and Assurance Practice Guide (AAPG) 3 Guidance for Auditors on Engagement to Report on Statement on Risk Management and Internal Control issued by the Malaysian Institute of Accountants.

Based on their limited assurance engagement, the External Auditors have reported to the Board that nothing has come to their attention that caused them to believe that this statement is not prepared in all material aspects, in accordance with disclosure required by Section 7 of the Statement of Risk Management and Internal Control: Guidance for Directors of Listed Companies, nor is the statement factually inaccurate.

This Statement is made in accordance with the approval and resolution of the Board of Directors.

Audit and Risk Management Committee Report

The Audit and Risk Management Committee (ARMC) of Samchem Holdings Berhad is pleased to present the ARMC Report for the financial year ended 31 December 2025.

Composition of the ARMC and Attendance

The ARMC met five (5) times during the financial year ended 31 December 2025. The members of the ARMC, their attendance at the ARMC Meetings held during the financial year ended 31 December 2025 are as follows:

Members of the ARMC	Total Meetings Attended
Hor Wai Kong – Chairman Independent Non-Executive Director	5/5
Lok Kai Chun – Member Independent Non-Executive Director (resigned on 28 February 2026)	5/5
Dato' Razali Basri – Member Independent Non-Executive Director	5/5
Wong Yee Ming – Member Independent Non-Executive Director (appointed on 28 February 2026)	—

Terms of Reference of ARMC

(A) Terms of Membership

The ARMC shall be appointed by the Board of Directors amongst its members and consist of at least three (3) members, of whom all must be Non-Executive Directors with a majority of them being Independent Directors. The Chairman, who shall be elected by the ARMC, must be an independent director. Currently all the members are comprised of independent directors.

The Committee shall include one (1) member who is a member of the Malaysian Institute of Accountants (MIA); or if he is not a member of the MIA, he must have at least three (3) years' working experience and he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or he must hold a degree/master/doctorate in accounting or finance and have at least three (3) years' post qualification experience in accounting or finance; or he must have at least seven (7) years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation or fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

Following the resignation of Lok Kai Chun and the appointment of Wong Yee Ming as a member of the ARMC on 28 February 2026, the ARMC now comprises three (3) members, all of whom are Independent Non-Executive Directors. This composition complies with Paragraph 15.09(1)(a) of the MMLR of Bursa Malaysia Securities Berhad, which stipulates that the ARMC must consist of not fewer than three (3) members. In the event of any vacancy in the ARMC resulting in the non-compliance with the Listing Requirements of Bursa Securities, the Board shall appoint a new member within three (3) months.

The Board of Directors shall review the term of office and the performance of an ARMC and each of its members at least once in every three (3) years.

No alternate Director shall be appointed as a member of the ARMC.

(B) Meetings and Quorum of the ARMC

In order to form a quorum in respect of a meeting of the ARMC, the majority of the members present must be independent directors. The Company Secretary shall act as secretary of the ARMC and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.

The ARMC may require the attendance of any management staff from the Finance/Accounts Department or other departments deemed necessary together with a representative or representatives from the external auditors and/or internal auditors.

In any event, should the external auditors or internal auditors request, the Chairman of the ARMC shall convene a meeting of the committee to consider any matter the external auditors or internal auditors believe should be brought to the attention of the Director or shareholders.

(C) Functions of the ARMC

The duties and responsibilities of the ARMC include the following:

1. To consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal;
2. To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;

Audit and Risk Management Committee Report

3. To discuss with the external auditor on the evaluation of the system of internal controls and the assistance given by the employees to the external auditors;
4. To review and report to the Board if there is reason (supported by grounds) to believe that the external auditor is not suitable for reappointment;
5. To review the quarterly and year-end financial statements of the Company and Group prior to the approval of the Board, focusing particularly on:
 - a. Changes in or implementation of major accounting policies and practices;
 - b. Significant adjustments arising from the audit;
 - c. The going concern assumption;
 - d. Compliance with accounting standards and other legal requirements; and
 - e. Key audit matters and related party transactions.
6. To discuss problems and reservations arising from the interim and final audit, and any matter the auditors may wish to discuss (in the absence of management where necessary);
7. To review the external auditor's management letter and management's response;
8. To do the following in relation to the internal audit function:
 - a. reviews the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - b. reviews the internal audit programmes and the results of the internal audit processes or investigation undertaken and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;
 - c. conducts appraisal or assessment of the performance of the internal auditors;
 - d. approves any appointment or termination of the internal auditors; and
 - e. takes cognisance of resignation of internal auditors and provide the resigning parties an opportunity to submit his reasons for resigning.
9. To review any related party transactions and conflict of interest situation that may arise within the Company or the Group;
10. To review and assess the Group's risk register on a periodic basis;
11. To consider the major findings of internal investigations and the management's response; and
12. To consider any other functions or duties as may be agreed by the Committees and the Board.

(D) Rights of the ARMC

The ARMC wherever necessary and reasonable for the performance of its duties shall be empowered as follows:

1. have authority to investigate any matter within its terms of reference;
2. have the resources which are required to perform its duties;
3. have full and unrestricted access to any information pertaining to the Company and Group;
4. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
5. be able to obtain independent professional or other advice when needed;
6. be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Group, whenever deemed necessary; and
7. where ARMC is of the view that there is a matter that has not been satisfactorily resolved that will result in a breach of the Main Market Listing Requirements of Bursa Malaysia, the ARMC shall promptly report such matter to the Bursa Securities.

(E) Procedure of ARMC

The ARMC regulates its own procedures by:

1. the calling of meetings;
2. the notice to be given of such meetings;
3. the voting and proceedings of such meetings;
4. the keeping of minutes; and
5. the custody, protection and inspection of such minutes.

(F) Summary of Activities of the ARMC

During the financial year up to the date of this Report, the ARMC carried out the following activities in discharging their duties and responsibilities:

I Financial Results

Review quarterly results and audited annual financial statements of the Group and Company before recommending to the Board for release to Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The review focus primarily on:

- a. major judgmental areas, key audit matters as well as significant and unusual events;
- b. significant adjustments resulting from audit;
- c. the going concern assumptions;
- d. compliance with applicable approved accounting standards in Malaysia;
- e. compliance with Listing Requirements of Bursa Malaysia and other regulatory requirements; and
- f. related party transactions.

II External Audit

Reviewed with the external auditor, their audit plan for the financial year ended 31 December 2025 to ensure that their scope of work adequately covers the activities of the Group.

Reviewed the results and issues arising from their audit of the annual financial statements and their resolution of such issues as highlighted in their report to the Committee. The external auditors highlighted some new MFRS developments in particular MFRS 18 and amendments to MFRS 7, 9, 10, 107, 121 and 128. However, these are not expected to pose any material impact on the Group. Key and significant audit matters such as impairment of goodwill on business combination, inventory valuation and recoverability of trade receivables were also discussed, however, there were no material findings to be disclosed herein.

The external auditors also highlighted that the Sustainability Statements as required under Practise Note 9 of the Main market Listing Rules will need to include a disclosure as to whether it has been subjected to an internal review by internal auditors or an independent third party

assurance assessment. They also highlighted the requirements of the National Sustainability Reporting Framework (NSRF) and in particular the disclosures required for IFRS S1 and IFRS S2. Management is currently working towards this endeavour.

As for recommendations in terms of improvement matters, suggestions had been made for control improvements in terms of documentation for the application of significant accounting estimates where management will be working on the improvement.

Reviewed their performance, competencies and resource adequacies and independence before recommending to the Board for their reappointment and remuneration. Also reviewed the fees to be paid for their scope of work.

III Internal Audit

Reviewed with the internal auditor their audit plan for the financial year ended 31 December 2025 ensuring that the principal risk areas prioritise the higher significant risks identified under their risk-based assessment plan.

Reviewed the internal audit reports and the main findings that were discussed are as follows:

- a. Vietnamese operations – Findings were basically to suggest improvements in the areas of corporate governance and regulatory compliance matters. Suggestions were given to review and improve the discretionary approval limits to instil better internal controls. The business continuity plan was also discussed with some improvement recommendations being provided. It was also recommended that the communication protocols for reporting purposes to meet regulatory and statutory purposes be reviewed and updated to ensure it meet current requirements. The adequacy procedures for the implementation of the Group's Anti Corruption and Bribery policy were also reviewed where suggestions were also offered to further improve the implementation.
- b. Indonesian Operations – Key audit matters raised were in the Human Resource as well as warehouse and inventory management. There were lapses noted in monitoring and in timely updating of data resulting in computation errors. These are now being monitored by dedicated personnel to prevent such lapses. Suggestions for improvements were also brought up to improve the verification processes for the recording of the weights for the incoming and outgoing of packed

Audit and Risk Management Committee Report

products. Recommendations were also made to further strengthen the internal controls for recording and monitoring of the stock inventory movements.

- c. **Malaysian Operations** – Audit areas were into the Management Information System and the warehouse and inventory management activities. There were gaps found in the data recovery and data restoration activities where improvement suggestions were given to further improve the internal controls and strengthen the audit trail. Improvement suggestions were also made with regards to the process of weighing and recording of the products to further strengthen the internal controls.

All the above were noted by the ARMC and had duly informed the Board of Directors and the management team to take appropriate measures to address the findings. It was noted that there were no material findings from the internal audit which suggest significant risk impacts of concern to be reported herein.

Reviewed the competencies as well as the resources of the internal auditors in conducting and executing their audit plan. Ensure that the engagement director for the audit is a certified Internal Auditor from an accredited institution. The fees for the internal audit scope of work has also been reviewed.

IV Other Activities

- a. **Recurrent Related Party Transactions ("RRPT")** – No matters of material concern were raised and at the point of the date of this report, the transactions were in compliance with the mandate obtained from the shareholders. These transactions are being recorded and documented accordingly for monitoring purposes. Reviewed the related party transactions for the financial year as well as the "Circular to Shareholders" in connection with the recurrent related party transactions of a revenue nature to ensure that such transactions were in the ordinary course of business and on terms not more favourable to the related parties prior to recommending for Board's approval. There were no material findings to disclosed for the related party transactions review. As a standard practise, all the directors have declared their interests prior to approving the issuance of the shareholders circular for RRPT approval.

- b. **Corporate Governance matters** – ARMC had undertaken the reviews as stated below:

- ⚙ The Group's conflict of interest policy has been reviewed and amended to reflect the latest guidelines as provided by Bursa Malaysia.
- ⚙ The separation of duties of the Group Chairman from board committees and executive functions has been implemented as a new CEO has been appointed on April 2023.
- ⚙ The gender diversity at the management level has improved. Currently at the Board level, the Group has met the minimum requirements.
- ⚙ There is now a guideline policy for the Group with regards to the use of Generative Artificial Intelligence models to ensure that data security and confidentiality of the Group's databases are safeguarded and are not compromised.

Reviewed and updated the Group's risks-based assessment model based on continuous monitoring and follow ups. Also reviewed the progress of the framework in preparation of the Sustainability statement where progresses are being made to improve the reporting framework to ensure it complies with the regulatory requirements and reporting standards.

Reviewed the corporate liability provisions as required under the MACC Act 2009 and assessed whether the implemented procedures in place are adequate to comply with the provisions accordingly. There were no issues being brought up for the financial year.

There were no private meeting during the financial year as no matters required to be brought up to the attention of ARMC.

Reviewed and recommended to the Board the following for approval and inclusion to the Group's annual report:

- ⚙ ARMC Report;
- ⚙ Statement of Risk Management and Internal Control;
- ⚙ Corporate Governance Overview Statement; and
- ⚙ Corporate Governance Report.

The ARMC Report was made in accordance with the approval of the Board of Directors on 13 April 2026.

Additional Compliance Information

1. Utilisation of Proceeds

During the financial year, there were no proceeds raised from corporate proposals.

2. Share Buy-back

The Company did not carry out any share buy-back for the financial year under review.

3. Options, Warrants or Convertible Securities

There were no options, warrants or convertible securities issued during the financial year.

4. American Depository Receipt (ADR) or Global Depository Receipt (GDR)

The Company did not sponsor any ADR or GDR programme during the financial year.

5. Imposition of sanctions/penalties

There were no sanctions or penalties imposed by the relevant regulatory bodies on the Company or its subsidiaries, directors or management during the financial year.

6. Audit and Non-Audit fees

The amount of audit fees and non-audit fees paid or payable to the Company's external auditors for the financial year ended 31 December 2025 are as follows:

	Group RM	Company RM
Audit Fees	364,000	109,000
Non-audit Fees	9,000	9,000
Total	373,000	118,000

7. Profit Forecast or Projections

The Company did not announce any profit forecast or projections during the financial year.

8. Profit Guarantee

During the financial year, there were no profit guarantees given by the Group.

9. Recurrent Related Party Transactions of Revenue or Trading Nature

The recurrent related party transactions for the financial year ended 31 December 2025 was as follows:

Company in the Samchem Group involved	Transacting parties	Nature of transaction	Transaction value (RM)
Sam Chem Sphere Joint Stock Company (JSC)	Vigor Sphere Pte Ltd (VS)	Sales from VS to JSC	724,403
Meridian Chemicals (Vietnam) Company Limited (MCCL)	Vigor Sphere Pte Ltd (VS)	Sales from VS to MCCL	1,131,616

10. Disclosure of Financial data for Shariah Screening

Pursuant to Paragraph 9.25A of MAIN Market Listing Requirement, below are the financial data that are relevant for the 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	
	2025 RM'000	2024 RM'000
Total Income		
Revenue	1,109,998	1,215,006
Other income	3,675	3,701
Finance income	1,002	1,172
Total	1,114,675	1,219,879
Total Assets	532,528	600,665

(b) Business Activities

To the best of the Group's knowledge, the Group is not aware of any of the Group's revenues that will fall under the Shariah non-permissible revenue income.

Additional Compliance Information

(c) Component of Financial Position

(i) Cash Component

Conventional Account/Instruments	Group	
	2025 RM'000	2024 RM'000
Cash and bank balances (exclude cash in hand)	78,951	66,803
Deposit with licensed bank	503	8,541
Total	79,454	75,344

(ii) Debt Component

Islamic Financing	Group	
	2025 RM'000	2024 RM'000
Current		
Term loans	1,209	1,209
Revolving credit	507	–
Non-Current		
Term loans	10,116	11,326
Total	11,832	12,535

Conventional Borrowings	Group	
	2025 RM'000	2024 RM'000
Current		
Bank's acceptances	45,912	63,921
Bank overdraft	2,481	2,200
Hire purchase payables	2,011	1,834
Short term loans	46,209	58,629
Foreign currency trade loan	12,421	17,468
Onshore foreign currency loans	2,894	4,317
Revolving credit	7,060	7,845
Term loans	4,863	5,431
Non-Current		
Hire purchase payables	4,521	3,195
Term loans	7,473	13,502
Total	135,845	178,342

11. Revaluation Policy

The Company does not have a revaluation policy on landed properties.

12. Material Contract

There were no material contracts entered by the Company and its subsidiaries involving Directors' interests during the financial year.

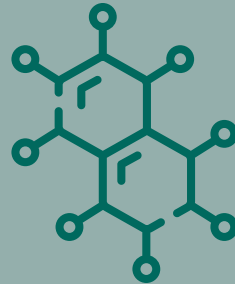
13. Corporate Social Responsibility

As the Group expands its business, the Board believes that the responsibility towards the society increases and the operating conditions shall be harmonised to ensure that the people within and outside the Group benefit from the existence of our organisation.

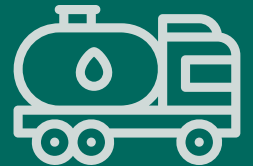
Safety and Health

The Group is committed to provide a safe and healthy working environment for the employees under the stringent requirements of Health, Safety and Environment (HSE) regulations. We constantly monitor and keep ourselves updated with the latest HSE requirements and regulations through various training programmes carried out by our suppliers, customers and external training organisers. Our Group also undergoes regular audits of its warehousing and logistics functions which are carried out by representatives from our MNC suppliers and has complied with the stringent requirements of all such audits to-date.

Financials



76	Directors' Report
80	Statements of Comprehensive Income
81	Statements of Financial Position
83	Statements of Changes in Equity
86	Statements of Cash Flows
89	Notes to the Financial Statements
134	Statement by Directors
134	Statutory Declaration
135	Independent Auditors' Report



Directors' Report

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

Principal Activities

The principal activities of the Company are investment holding and the provision of management services. The principal activities of its subsidiaries are distribution of Polyurethane (PU), intermediate, specialty and other industrial chemicals, blending of customised solvents, provision of logistics services, tank terminal storage and bulk breaking facilities.

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

Results

	Group RM'000	Company RM'000
Profit for the financial year	19,225	11,709
Attributable to:		
Owners of the Company	17,639	11,709
Non-controlling interests	1,586	–
	19,225	11,709

Dividends

The amount of dividends declared or paid by the Company since the end of the previous financial year were as follows:

- (i) a third interim single-tier exempt dividend of 0.8 sen per ordinary share on 544,000,000 ordinary shares amounting to RM4,352,000 in respect of the financial year ended 31 December 2024, which was paid on 8 April 2025; and
- (ii) a first interim single-tier exempt dividend of 0.8 sen per ordinary share on 544,000,000 ordinary shares amounting to RM4,352,000 in respect of the financial year ended 31 December 2025, which was paid on 13 October 2025.

On 27 February 2026, the directors declared a second interim single-tier exempt dividend of 0.8 sen per ordinary share on 544,000,000 ordinary shares amounting to RM4,352,000 in respect of the financial year ended 31 December 2025. This second interim dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

The directors do not recommend the payment of any final dividend in respect of the financial year ended 31 December 2025.

Reserves or Provisions

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

Bad and Doubtful Debts

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

Current Assets

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company 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 which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

Valuation Methods

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

Contingent and Other Liabilities

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

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

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

Change of Circumstances

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

Items of Material and Unusual Nature

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Auditors' Remuneration

The remuneration paid or payable to the auditors of the Group and of the Company for their services as auditors during the financial year were RM585,598 and RM109,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

Issue of Shares and Debentures

During the financial year, no new shares or debentures were issued by the Company.

Directors' Report

Directors

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

Ng Thin Poh*
 Ng Ai Rene*
 Cheong Chee Yun
 Dato' Razali Bin Basri
 Hor Wai Kong
 Wong Yee Ming (Appointed on 2 January 2026)
 Lok Kai Chun (Resigned on 28 February 2026)

* Directors of the Company and certain subsidiaries

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Dennis Ho Chin Chye
 Eugene Chong Wee Yip
 Francis Huang Low Soo Yee
 Heng Kok Hui
 Koh Boon Siong
 Maisarah Tang Binti Abdullah
 Ng Bing Hong
 Rindang Ayu
 Tan Say Leng
 Wee Chai Peng

Directors' Interests

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act, 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

Interest in the Company

	Number of ordinary shares			
	At 1.1.2025 Unit '000	Trans- ferred in/ Bought Unit '000	Trans- ferred out/ Sold Unit '000	At 31.12.2025 Unit '000

Direct Interests

Lok Kai Chun	30	–	–	30
Ng Ai Rene	2,557	100	–	2,657
Ng Ting Poh	–	1,386	–	1,386

Indirect Interests*

Ng Thin Poh	249,028	–	–	249,028
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* Shares held in Continental Hallmark Sdn. Bhd.

By virtue of his interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Ng Thin Poh is deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares or debentures 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 or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as shown below) 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.

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

	Group RM'000	Company RM'000
Directors of the Company		
Director's fees	180	180
Salaries, bonus and other emoluments	1,313	36
	1,493	216

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

Indemnity to Directors and Officers

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the directors and officers of the Company and its subsidiaries were RM5,000,000 and RM8,110 respectively.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 11 to the financial statements, which also serve for the purpose of this report.

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

Auditors

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors.

NG THIN POH

Director

NG AI RENE

Director

Date: 13 April 2026

Statements of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	3	1,109,998	1,215,006	12,350	12,253
Cost of sales		(985,868)	(1,092,499)	-	-
Gross profit		124,130	122,507	12,350	12,253
Other income		3,675	3,701	-	-
Selling and distribution expenses		(20,345)	(20,178)	-	-
Administrative expenses		(68,409)	(67,864)	(650)	(820)
Net (impairment)/reversal of impairment on receivables		(695)	396	-	-
Other expenses		(2,825)	(3,926)	-	-
Operating profit		35,531	34,636	11,700	11,433
Finance income		1,002	1,172	9	-
Finance costs		(9,841)	(9,277)	-	-
Profit before tax	4	26,692	26,531	11,709	11,433
Income tax expense	6	(7,467)	(6,578)	-	-
Profit for the financial year		19,225	19,953	11,709	11,433
Other comprehensive loss, net of tax					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Foreign currency translation		(13,130)	(9,317)	-	-
		(13,130)	(9,317)	-	-
Total comprehensive income for the financial year		6,095	10,636	11,709	11,433
Profit attributable to:					
Owners of the Company		17,639	17,474	11,709	11,433
Non-controlling interests		1,586	2,479	-	-
		19,225	19,953	11,709	11,433
Total comprehensive income/(loss) attributable to:					
Owners of the Company		7,926	10,565	11,709	11,433
Non-controlling interests		(1,831)	71	-	-
		6,095	10,636	11,709	11,433
Earnings per share attributable to ordinary shareholders of the Company (sen):					
Basic	7	3.24	3.21		
Diluted	7	3.24	3.21		

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

Statements of Financial Position

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	8	72,121	76,356	–	–
Right-of-use assets	9	34,488	41,553	–	–
Goodwill on business combination	10	5,867	5,867	–	–
Investment in subsidiaries	11	–	–	145,255	142,255
Deferred tax assets	12	563	626	–	–
Total non-current assets		113,039	124,402	145,255	142,255
Current assets					
Inventories	13	132,198	147,005	–	–
Trade receivables	14	172,527	217,997	–	–
Other receivables, deposits and prepayments	15	29,966	28,690	2	2
Current tax assets		5,277	7,161	48	58
Deposits with licensed banks	16	503	8,541	–	–
Cash and bank balances		79,018	66,869	321	288
Total current assets		419,489	476,263	371	348
TOTAL ASSETS		532,528	600,665	145,626	142,603

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

Statements of Financial Position

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	17	136,954	136,954	136,954	136,954
Reserves	18	146,968	147,746	8,112	5,107
		283,922	284,700	145,066	142,061
Non-controlling interests		25,466	28,522	–	–
TOTAL EQUITY		309,388	313,222	145,066	142,061
Non-current liabilities					
Borrowings	19	22,110	28,023	–	–
Lease liabilities	20	2,513	7,657	–	–
Deferred tax liabilities	12	1,861	1,530	–	–
Retirement benefit obligations	21	1,116	1,439	–	–
Total non-current liabilities		27,600	38,649	–	–
Current liabilities					
Trade payables	22	52,146	67,508	–	–
Other payables, deposits and accruals	23	8,650	8,478	560	542
Borrowings	19	125,567	162,854	–	–
Lease liabilities	20	7,712	7,483	–	–
Current tax liabilities		1,465	2,471	–	–
Total current liabilities		195,540	248,794	560	542
TOTAL LIABILITIES		223,140	287,443	560	542
TOTAL EQUITY AND LIABILITIES		532,528	600,665	145,626	142,603

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

Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Attributable to Owners of the Company							Total Equity Attributable to Owners of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Retained Earnings RM'000	Capital Reserve RM'000	Reverse Acquisition Reserve RM'000	Currency Translation Reserve RM'000	Total Other Reserves RM'000	Total Equity Attributable to Owners of the Company RM'000			
Group										
At 1 January 2025	136,954	177,014	13,355	(40,726)	(1,897)	(29,268)	284,700	28,522	313,222	
Profit for the financial year	-	17,639	-	-	-	-	17,639	1,586	19,225	
Foreign currency translation	-	-	-	-	(9,713)	(9,713)	(9,713)	(3,417)	(13,130)	
Total comprehensive income/(loss) for the financial year	-	17,639	-	-	(9,713)	(9,713)	7,926	(1,831)	6,095	
Transactions with owners										
Dividend paid to non-controlling shareholders of the subsidiaries	-	-	-	-	-	-	-	(1,225)	(1,225)	
Dividends	-	(8,704)	-	-	-	-	(8,704)	-	(8,704)	
	-	(8,704)	-	-	-	-	(8,704)	(1,225)	(9,929)	
At 31 December 2025	136,954	185,949	13,355	(40,726)	(11,610)	(38,981)	283,922	25,466	309,388	

24

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

Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Attributable to Owners of the Company							Total Equity Attributable to Owners of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Retained Earnings RM'000	Capital Reserve RM'000	Reverse Acquisition Reserve RM'000	Currency Translation Reserve RM'000	Total Other Reserves RM'000	Total Equity Attributable to Owners of the Company RM'000			
Group										
At 1 January 2024	136,954	172,596	13,355	(40,726)	5,012	(22,359)	287,191	30,780	317,971	
Profit for the financial year	-	17,474	-	-	-	-	17,474	2,479	19,953	
Foreign currency translation	-	-	-	-	(6,909)	(6,909)	(6,909)	(2,408)	(9,317)	
Total comprehensive income for the financial year	-	17,474	-	-	(6,909)	(6,909)	10,565	71	10,636	
Transactions with owners										
Dividend paid to non-controlling shareholders of the subsidiaries	-	-	-	-	-	-	-	(2,329)	(2,329)	
Dividends	-	(13,056)	-	-	-	-	(13,056)	-	(13,056)	
	-	(13,056)	-	-	-	-	(13,056)	(2,329)	(15,385)	
At 31 December 2024	136,954	177,014	13,355	(40,726)	(1,897)	(29,268)	284,700	28,522	313,222	

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

	Note	Share Capital RM'000	Retained Earnings RM'000	Total Equity RM'000
Company				
At 1 January 2024		136,954	6,730	143,684
Profit for the financial year, representing total comprehensive income for the financial year		–	11,433	11,433
		136,954	18,163	155,117
Transactions with owners				
Dividends	24	–	(13,056)	(13,056)
At 31 December 2024		136,954	5,107	142,061
Profit for the financial year, representing total comprehensive income for the financial year		–	11,709	11,709
		136,954	16,816	153,770
Transactions with owners				
Dividends	24	–	(8,704)	(8,704)
At 31 December 2025		136,954	8,112	145,066

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

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities					
Profit before tax		26,692	26,531	11,709	11,433
Adjustments for:					
Bad debts written off		-	31	-	-
Deposits written off		-	66	-	-
Depreciation of:					
– property, plant and equipment	8	5,826	5,747	-	-
– right-of-use assets	9	8,485	8,755	-	-
Dividend income		-	-	(12,350)	(12,253)
Gain on termination of lease		(29)	(1)	-	-
Gain on disposal of:					
– property, plant and equipment		(63)	(193)	-	-
– non-current asset held for sale		-	(28)	-	-
Impairment losses on trade receivables	14	1,056	533	-	-
Interest expense		9,841	9,277	-	-
Interest income		(1,002)	(1,172)	-	-
Inventories written off	13(d)	19	261	-	-
Net unrealised (gain)/loss on foreign exchange		(585)	2,500	-	-
Property, plant and equipment written off		-	2	-	-
Retirement benefit obligations	21	215	274	-	-
Reversal of impairment losses on trade receivables	14	(361)	(929)	-	-
Reversal of inventories written down	13(e)	(217)	(9)	-	-
Operating profit/(loss) before changes in working capital		49,877	51,645	(641)	(820)
<u>Changes in working capital:</u>					
Inventories		15,005	(32,180)	-	-
Receivables		43,922	(8,449)	-	-
Payables		(14,605)	14,042	18	(3)
Cash generated from/(used in) operations		94,199	25,058	(623)	(823)
Retirement benefit paid		(6)	(7)	-	-
Dividend received		-	-	12,350	12,253
Income tax refunded		1,057	908	10	-
Income tax paid		(7,401)	(9,754)	-	-
Net cash from operating activities		87,849	16,205	11,737	11,430

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

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from investing activities					
Acquisition of a subsidiary, net of cash acquired	11	-	(9,835)	-	-
Subscription of shares in a subsidiary		-	-	(3,000)	-
Interest received		1,002	1,172	-	-
Placement of deposits with licensed bank		(3)	(41)	-	-
Purchase of property, plant and equipment	8	(950)	(3,713)	-	-
Net proceeds from disposal of:					
- property, plant and equipment		198	203	-	-
- non-current asset held for sale		-	1,204	-	-
Net cash from/(used in) investing activities		247	(11,010)	(3,000)	-
Cash flows from financing activities					
Interest paid		(9,841)	(9,277)	-	-
Advances from a subsidiary		-	-	-	450
Net (repayment)/drawdown of bankers' acceptances	(a)	(18,009)	5,667	-	-
(Repayment)/Drawdown of revolving credit	(a)	(278)	7,845	-	-
Repayments of hire purchase	(a)	(2,029)	(1,221)	-	-
Payments of lease liabilities	(a)	(7,942)	(8,052)	-	-
Net (repayment)/drawdown of foreign currency trade loan	(a)	(5,047)	7,585	-	-
Net (repayment)/drawdown of onshore foreign currency loans	(a)	(1,423)	281	-	-
Drawdown of term loans	(a)	164,806	175,757	-	-
Repayment of term loans	(a)	(182,552)	(163,131)	-	-
Dividend paid		(8,704)	(13,056)	(8,704)	(13,056)
Dividend paid to non-controlling shareholders of the subsidiaries		(1,225)	(2,329)	-	-
Net cash (used in)/from financing activities		(72,244)	69	(8,704)	(12,606)
Net increase/(decrease) in cash and cash equivalents		15,852	5,264	33	(1,176)
Effect of exchange rate changes		(12,025)	(8,664)	-	-
Cash and cash equivalents at the beginning of the financial year		73,015	76,415	288	1,464
Cash and cash equivalents at the end of the financial year	25	76,842	73,015	321	288

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

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(a) Reconciliation of liabilities arising from financing activities:

	1 January 2025 RM'000	Cash Flows RM'000	Non-cash			31 December 2025 RM'000
			Acquisition RM'000	Termination of Lease RM'000	Foreign Exchange Movement RM'000	
Group						
Banker acceptances	63,921	(18,009)	–	–	–	45,912
Foreign currency trade loan	17,468	(5,047)	–	–	–	12,421
Hire purchase payables	5,029	(2,029)	3,532	–	–	6,532
Lease liabilities	15,140	(7,942)	4,727	(282)	(1,418)	10,225
Onshore foreign currency loans	4,317	(1,423)	–	–	–	2,894
Revolving credit	7,845	(278)	–	–	–	7,567
Short term loans	58,629	(9,939)	–	–	(2,481)	46,209
Term loans	31,468	(7,807)	–	–	–	23,661
	203,817	(52,474)	8,259	(282)	(3,899)	155,421

	1 January 2024 RM'000	Cash Flows RM'000	Non-cash			31 December 2024 RM'000
			Acquisition RM'000	Termination of Lease RM'000	Foreign Exchange Movement RM'000	
Group						
Banker acceptances	58,254	5,667	–	–	–	63,921
Foreign currency trade loan	9,883	7,585	–	–	–	17,468
Hire purchase payables	4,492	(1,221)	1,758	–	–	5,029
Lease liabilities	3,923	(8,052)	19,312	(38)	(5)	15,140
Onshore foreign currency loans	4,036	281	–	–	–	4,317
Revolving credit	–	7,845	–	–	–	7,845
Short term loans	46,219	15,471	–	–	(3,061)	58,629
Term loans	31,982	(2,845)	2,331	–	–	31,468
	158,789	24,731	23,401	(38)	(3,066)	203,817

Company

Changes in liabilities arising from financing activities are changes arising from cash flows.

(b) Total cash outflows for leases

During the financial year, the Group had total cash outflows for leases of RM13,376,000 (2024: RM12,907,000).

Notes to the Financial Statements

1. Corporate Information

Samchem Holdings Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company are located at Lot 6, Jalan Sungai Kayu Ara 32/39, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan.

The principal activities of the Company are investment holding and the provision of management services. The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 13 April 2026.

2. Basis of Preparation

2.1 Statement of compliance

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

2.2 Adoption of amendments to MFRS

The Group and the Company have adopted the following applicable amendments to MFRS for the current financial year:

Amendments to MFRS

MFRS 121	The Effects of Changes in Foreign Exchange Rates
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The adoption of the above amendments to MFRS did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

2.3 New MFRSs and amendments to MFRSs that have been issued, but are yet to be effective

(a) The Group and the Company have not adopted the following new MFRSs and amendments to MFRSs that have been issued, but are yet to be effective:

New MFRSs	Effective for financial periods beginning on or after
MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability: Disclosures
	1 January 2027
	1 January 2027

Notes to the Financial Statements

2. Basis of Preparation (continued)

2.3 New MFRSs and amendments to MFRSs that have been issued, but are yet to be effective (continued)

- (a) The Group and the Company have not adopted the following new MFRSs and amendments to MFRSs that have been issued, but are yet to be effective (continued):

Amendments to MFRSs		Effective for financial periods beginning on or after
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/Deferred
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
MFRS 107	Statement of Cash Flows	1 January 2026
MFRS 121	The Effect of Changes in Foreign Exchange Rates	1 January 2027
MFRS 128	Investments in Associates and Joint Ventures	Deferred

- (b) The Group and the Company plan to adopt the above applicable new MFRSs and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRSs and amendments to MFRSs that may be applicable to the Group and the Company are summarised below.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces *MFRS 101 Presentation of Financial Statements*. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including “operating profit”, which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity’s company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures (MPMs). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity’s financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the “operating” category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as “other” to be labelled and/or described in as faithfully representative and precise a way as possible.

The initial application of the above applicable new MFRSs and amendments to MFRSs is not expected to have material financial impact to the current and prior years financial statements of the Group and of the Company.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate (“the functional currency”). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Group’s functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

2. Basis of Preparation (continued)

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed.

2.6 Basis of consolidation

Subsidiaries are entities over which the Group is exposed, or has rights, to variable returns through its power over the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group.

At the date of acquisition, components of non-controlling interests of the Group are measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

3. Revenue

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from contract customers:				
Sales of goods	1,071,339	1,170,668	-	-
Blending services	23,775	28,700	-	-
Transportation charges	14,884	15,638	-	-
	1,109,998	1,215,006	-	-
Revenue from other sources:				
Dividend income	-	-	12,350	12,253
	1,109,998	1,215,006	12,350	12,253

(a) Material accounting policy information

(i) Sales of goods

Revenue from the sale of goods is recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with a credit term ranging from 30 to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present.

(ii) Blending services

Revenue from blending services is recognised at a point in time when services are rendered.

Sales are made with a credit term ranging from 30 to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present.

(iii) Transportation charges

Transportation charges are recognised over time, based on time elapsed, to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

Sales are made with a credit term ranging from 30 to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present.

Notes to the Financial Statements

3. Revenue (continued)

(b) Disaggregation of revenue

The Group reports the following major segments: Malaysia, Republic of Indonesia, Socialist Republic of Vietnam and Republic of Singapore in accordance with MFRS 8 *Operating Segments*. For the purpose of disclosure of disaggregation of revenue, it disaggregates revenue into major goods or services and timing of revenue recognition (i.e. goods transferred at a point in time or services transferred over time).

Group	Malaysia RM'000	Republic of Indonesia RM'000	Socialist Republic of Vietnam RM'000	Republic of Singapore RM'000	Total RM'000
2025					
Major goods or services					
Chemical products	498,971	88,051	460,253	24,064	1,071,339
Blending services	23,775	–	–	–	23,775
Transportation charges	14,884	–	–	–	14,884
	537,630	88,051	460,253	24,064	1,109,998
2024					
Major goods or services					
Chemical products	563,577	70,351	508,644	28,096	1,170,668
Blending services	28,700	–	–	–	28,700
Transportation charges	15,638	–	–	–	15,638
	607,915	70,351	508,644	28,096	1,215,006
	Group		Company		
	2025	2024	2025	2024	
	RM'000	RM'000	RM'000	RM'000	
Timing of revenue recognition:					
At a point in time		1,095,114	1,199,368	–	–
Over time		14,884	15,638	–	–
		1,109,998	1,215,006	–	–

(c) Transaction price allocated to the remaining performance obligation

The Group does not have performance obligations that are unsatisfied for contracts that have an original duration of more than one year at the reporting date.

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

4. Profit Before Tax

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Auditors' remuneration – statutory audit				
– Baker Tilly Monteiro Heng PLT	364	362	109	109
– Member firms of Baker Tilly International	90	93	–	–
– Other auditors	132	126	–	–
Other services				
– Baker Tilly Monteiro Heng PLT	9	9	9	9
Bad debts written off	–	31	–	–
Depreciation of:				
– property, plant and equipment	5,826	5,747	–	–
– right-of-use assets	8,485	8,755	–	–
Deposits written off	–	66	–	–
Employee benefits expense (including key management personnel)				
– contributions to Employees Provident Fund	2,542	2,371	–	–
– retirement benefit obligations	215	274	–	–
– wages, salaries and others	36,870	35,655	36	54
Directors' fees	180	180	180	180
Expenses relating to short term leases	4,608	3,954	–	–
Gain on disposal of:				
– property, plant and equipment	(63)	(193)	–	–
– non-current asset held for sale	–	(28)	–	–
Gain on termination of lease	(29)	(1)	–	–
Impairment losses on:				
– trade receivables	1,056	533	–	–
Interest expense	9,841	9,277	–	–
Interest income	(1,002)	(1,172)	(9)	–
Inventories written off	19	261	–	–
Net loss/(gain) on foreign exchange:				
– realised	525	(1,011)	–	93
– unrealised	(585)	2,500	–	–
Property, plant and equipment written off	–	2	–	–
Rental income	(20)	(40)	–	–
Reversal of impairment losses on trade receivables	(361)	(929)	–	–
Reversal of inventories written down	(217)	(9)	–	–

Notes to the Financial Statements

5. Directors' Remuneration

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors of the Company				
Executive directors				
– other emoluments	1,277	1,215	–	–
	1,277	1,215	–	–
Non-executive directors				
– fees	180	180	180	180
– other emoluments	36	54	36	54
	216	234	216	234
	1,493	1,449	216	234
Directors of subsidiaries				
Executive directors				
– other emoluments	3,661	2,909	–	–
	5,154	4,358	216	234

6. Income Tax Expense

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current tax:				
Malaysian income tax				
– current year	6,066	5,830	–	–
– prior year	(17)	(817)	–	–
– real property gain tax	–	40	–	–
	6,049	5,053	–	–
Foreign income tax				
– current year	1,136	2,296	–	–
	7,185	7,349	–	–
Deferred tax:				
– current year	(140)	(672)	–	–
– prior year	422	(99)	–	–
	282	(771)	–	–
Income tax expense	7,467	6,578	–	–

6. Income Tax Expense (continued)

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2024: 24%) whilst the foreign entities in Republic of Indonesia, Socialist Republic of Vietnam and Singapore are subject to statutory income tax rate of 22%, 20% and 17% (2024: 22%, 20% and 17%) respectively of the estimated assessable profit for the financial year.

The reconciliations of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before tax	26,692	26,531	11,709	11,433
Tax at applicable tax rate of 24% (2024: 24%)	6,406	6,367	2,810	2,744
Effect of different tax rates in foreign jurisdiction	(321)	(466)	-	-
Effect of real property gain tax	-	40	-	-
Tax effects arising from:				
- non-deductible expenses	971	1,431	154	197
- non-taxable income	(13)	(36)	(2,964)	(2,941)
Deferred tax assets not recognised in the financial statements	55	217	-	-
Utilisation of previously unrecognised deferred tax assets	(36)	(59)	-	-
Over provision of current tax in prior financial year	(17)	(817)	-	-
Under/(Over) provision of deferred tax liabilities in prior financial year	422	(99)	-	-
Income tax expense	7,467	6,578	-	-

7. Earnings Per Share Attributable to Ordinary Shareholders of the Company

Basic earnings per share

Basic earnings per share are based on the profit for the financial year attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	2025	2024
Profit attributable to owners/ordinary shareholders of the Company (RM'000)	17,639	17,474
Weighted average number of ordinary shares for basic earnings per share (Unit'000)	544,000	544,000
Basic earnings per ordinary share (sen)	3.24	3.21

Diluted earnings per share

The diluted earnings per share of the Company for the financial year ended 2025 and 2024 is same as the basic earnings per ordinary share of the Company as there were no potential dilutive ordinary shares.

Notes to the Financial Statements

8. Property, Plant and Equipment

Group	Freehold Land RM'000	Buildings RM'000	Motor Vehicles RM'000	Plant and Machineries RM'000	Prime Movers and Trailers RM'000	Renovation and Office Equipment RM'000	Signboard, Furniture and Fittings RM'000	Total RM'000
Cost								
At 1 January 2025	7,276	49,610	19,380	14,194	5,280	6,554	1,005	103,299
Additions	-	355	3,605	330	76	116	-	4,482
Disposals	-	-	(428)	(10)	-	(13)	-	(451)
Written off	-	-	-	(12)	-	(26)	-	(38)
Effect of movement in exchange rate	-	(2,259)	(413)	(832)	-	(164)	-	(3,668)
At 31 December 2025	7,276	47,706	22,144	13,670	5,356	6,467	1,005	103,624
Accumulated depreciation								
At 1 January 2025	-	6,981	9,810	3,390	976	5,302	484	26,943
Charge for the financial year	-	1,285	1,960	1,123	1,019	399	40	5,826
Disposals	-	-	(293)	(10)	-	(13)	-	(316)
Written off	-	-	-	(12)	-	(26)	-	(38)
Effect of movement in exchange rate	-	(226)	(277)	(278)	-	(131)	-	(912)
At 31 December 2025	-	8,040	11,200	4,213	1,995	5,531	524	31,503
Carrying amount								
At 31 December 2025	7,276	39,666	10,944	9,457	3,361	936	481	72,121

8. Property, Plant and Equipment (continued)

Group	Freehold Land RM'000	Buildings RM'000	Motor Vehicles RM'000	Plant and Machineries RM'000	Prime Movers and Trailers RM'000	Renovation and Office Equipment RM'000	Signboard, Furniture and Fittings RM'000	Total RM'000
Cost								
At 1 January 2024	7,276	50,278	17,960	11,509	-	6,402	962	94,387
Acquisition of a subsidiary (Note 11)	-	-	-	1,307	5,163	67	43	6,580
Additions	-	773	2,418	1,872	117	291	-	5,471
Disposals	-	-	(750)	-	-	(11)	-	(761)
Written off	-	-	-	-	-	(83)	-	(83)
Effect of movement in exchange rate	-	(1,441)	(248)	(494)	-	(112)	-	(2,295)
At 31 December 2024	7,276	49,610	19,380	14,194	5,280	6,554	1,005	103,299
Accumulated depreciation								
At 1 January 2024	-	5,720	8,848	2,527	-	4,985	434	22,514
Charge for the financial year	-	1,332	1,881	1,013	976	495	50	5,747
Disposals	-	-	(740)	-	-	(11)	-	(751)
Written off	-	-	-	-	-	(81)	-	(81)
Effect of movement in exchange rate	-	(71)	(179)	(150)	-	(86)	-	(486)
At 31 December 2024	-	6,981	9,810	3,390	976	5,302	484	26,943
Carrying amount								
At 31 December 2024	7,276	42,629	9,570	10,804	4,304	1,252	521	76,356

Notes to the Financial Statements

8. Property, Plant and Equipment (continued)

(a) Material accounting policy information

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, if any.

Freehold land has an unlimited useful life and therefore is not depreciated. Long term leasehold land is depreciated over the lease term of 99 years.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

The principal annual rates used for this purpose are:

Buildings	2% - 5%
Motor vehicles	10% - 25%
Plant and machineries	10% - 25%
Prime movers and trailers	10%
Renovation and office equipment	10% - 33.3%
Signboard, furniture and fittings	10% - 15%

(b) Net carrying amounts of property, plant and equipment pledged as security for borrowings are as follows:

	Group	
	2025 RM'000	2024 RM'000
Freehold land	7,276	7,276
Buildings	25,224	25,490
Plant and machineries	1,773	2,005
	34,273	34,771

Net carrying amounts of property, plant and equipment pledged as security for hire purchase arrangement are as follows:

	Group	
	2025 RM'000	2024 RM'000
Motor vehicles	6,526	5,449
Plant and machineries	222	257
Prime movers and trailers	561	520
	7,309	6,226

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

	Group	
	2025 RM'000	2024 RM'000
Additions of property, plant and equipment	4,482	5,471
Less: Financed by hire purchase	(3,532)	(1,758)
	950	3,713

9. Right-of-Use Assets

Information about leases for which the Group is lessees is presented below:

Group	Land RM'000	Buildings RM'000	Plant and Machineries RM'000	Storage Tank RM'000	Total RM'000
Cost					
At 1 January 2025	27,960	6,146	1,674	23,262	59,042
Additions	–	1,126	–	3,601	4,727
Derecognition of lease	–	(1,682)	–	–	(1,682)
Effect of movement in exchange rate	(1,827)	(482)	–	(2,722)	(5,031)
At 31 December 2025	26,133	5,108	1,674	24,141	57,056
Accumulated depreciation					
At 1 January 2025	1,553	3,821	202	11,913	17,489
Depreciation charge for the financial year	538	1,437	221	6,289	8,485
Derecognition of lease	–	(1,429)	–	–	(1,429)
Effect of movement in exchange rate	(88)	(359)	–	(1,530)	(1,977)
At 31 December 2025	2,003	3,470	423	16,672	22,568
Carrying amount					
At 31 December 2025	24,130	1,638	1,251	7,469	34,488
Cost					
At 1 January 2024	29,186	5,846	–	8,906	43,938
Acquisition of a subsidiary (Note 11)	–	–	1,674	–	1,674
Additions	–	1,032	–	16,734	17,766
Derecognition of lease	–	(221)	–	(2,201)	(2,422)
Effect of movement in exchange rate	(1,226)	(511)	–	(177)	(1,914)
At 31 December 2024	27,960	6,146	1,674	23,262	59,042
Accumulated depreciation					
At 1 January 2024	988	2,960	–	7,919	11,867
Depreciation charge for the financial year	573	1,447	202	6,533	8,755
Derecognition of lease	–	(184)	–	(2,201)	(2,385)
Effect of movement in exchange rate	(8)	(402)	–	(338)	(748)
At 31 December 2024	1,553	3,821	202	11,913	17,489
Carrying amount					
At 31 December 2024	26,407	2,325	1,472	11,349	41,553

Notes to the Financial Statements

9. Right-of-Use Assets (continued)

(a) Material accounting policy information

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the end of the lease term.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

- (b) The Group leases land, buildings and storage tank for its office use and operations. The leases generally have lease term between 1 to 99 years, including the renewed terms.

Land includes land use rights with carrying amount of RM12,183,080 (2024: RM14,334,012) over certain parcels of land located in the Republic of Indonesia and the Socialist Republic of Vietnam with remaining tenure of 15 years to 32 years (2024: 16 years to 33 years) respectively.

Land with carrying amount of RM11,948,611 (2024: RM12,073,898) is pledged as security for borrowings as disclosed in Note 19.

10. Goodwill on Business Combination

	Group	
	2025 RM'000	2024 RM'000
Goodwill on business combination	5,867	5,867

(a) Significant accounting judgements, estimates and assumptions

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash generating unit (CGU) to which goodwill is allocated. When value-in-use calculations are undertaken, the Group uses its judgement to decide the discount rate applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

10. Goodwill on Business Combination (continued)

(b) Goodwill impairment assessment

Goodwill arose from the acquisition of CKJ Logistics Sdn. Bhd. which operates in the logistic services segment.

Goodwill is assessed at least annually at each reporting date regardless of any indication of impairment by comparing the carrying amount with the recoverable amount of each cash generating unit (CGU).

The recoverable amount of CGU has been determined based on value-in-use calculations using cash flows projection from financial budgets and forecasts approved by management covering a five-year period. Cash flows beyond five-year period are extrapolated.

The following describes each key assumption for which management has based its five-year cash flows projections to undertake the impairment testing of goodwill:

	Revenue Growth	Gross Margin	Discount Rate
2025			
Logistic services	16%	36%	12%
2024			
Logistic services	13%	30%	18%

The values assigned to the above key assumptions represent the Group's assessment of future trends in the industry and are based on both external sources and internal source of information.

- (i) Revenue growth – compound average growth rate over the five-year projection period based on number of trucks and sales volumes.
- (ii) Gross margin – average based on past experience and projected gross margin.
- (iii) Discount rate – based on the industry weighted average cost of capital. The discount rate applied to the cash flow projections is pre-tax and reflects management's estimate of the risks specific to the CGU at the date of assessment.

Based on the annual impairment testing undertaken by the Group, no impairment losses were required for the carrying amount of the goodwill assessed as the recoverable amount was in excess of the carrying amount of the CGU.

Based on the sensitivity analysis performed, the Group believes that there is no reasonably possible change in key assumptions that would cause the carrying amount of the CGU to exceed its recoverable amount.

Notes to the Financial Statements

11. Investments in Subsidiaries

	Company	
	2025 RM'000	2024 RM'000
At cost		
Unquoted shares	91,495	88,495
Less: Accumulated impairment losses	(2,847)	(2,847)
	88,648	85,648
Capital contributions to subsidiaries	56,607	56,607
	145,255	142,255

The details of subsidiaries are as follows:

Name of Company	Principal Place of Business/ Country of Incorporation	Ownership Interest		Principal Activities
		2025	2024	
Held by the Company				
Samchem Logistics Services Sdn. Bhd.	Malaysia	70%	70%	Provision of logistics services
Samchem Industries Sdn. Bhd.	Malaysia	100%	100%	Distribution of specialty chemicals
Samchem Lubricants Sdn. Bhd.	Malaysia	100%	100%	Distribution of industrial lubricants
Samchem Nusajaya Sdn. Bhd.	Malaysia	100%	100%	Distribution of intermediate and specialty chemicals and blending of customised solvents
Eweny Chemicals Sdn. Bhd.	Malaysia	100%	100%	Ceased operation
Samchemsphere Export Sdn. Bhd.	Malaysia	100%	100%	Export of intermediate and specialty chemicals
Samchem Sdn. Bhd.	Malaysia	100%	100%	Distribution of Polyurethane (PU), intermediate and specialty chemicals and investment holding
Samsentosa Chemicals Sdn. Bhd.	Malaysia	100%	100%	Distribution of industrial chemicals
Samchem Inorganic Chemicals Sdn. Bhd.	Malaysia	100%	100%	Distribution of industrial chemicals
SC Udes Sdn. Bhd.	Malaysia	60%	60%	Provision of logistics services
SC Terminals Sdn. Bhd.	Malaysia	100%	100%	Dormant
^ PT Samchem Prasadha	Republic of Indonesia	96.5%	96.5%	Distribution of industrial chemicals
# Samchem (Singapore) Pte. Ltd.	Republic of Singapore	100%	100%	Distribution of intermediate and specialty chemicals and blending of customised solvents

11. Investments in Subsidiaries (continued)

The details of subsidiaries are as follows (continued):

Name of Company	Principal Place of Business/ Country of Incorporation	Ownership Interest		Principal Activities
		2025	2024	
Held through Samchem Sdn. Bhd.				
[^] PT Samchem Prasadha	Republic of Indonesia	3.5%	3.5%	Distribution of industrial chemicals
[^] PT Samchem Kimiatama Solution	Republic of Indonesia	3.5%	3.5%	Processing industry and wholesale trade
Held through SC Udes Sdn. Bhd.				
CKJ Logistics Sdn. Bhd.	Malaysia	100%	100%	Providing freight forwarding, logistics services, equipment leasing and transport services
Held through PT Samchem Prasadha				
[^] PT Samchem Kimiatama Solution	Republic of Indonesia	96.5%	96.5%	Processing industry and wholesale trade
Held through Samchemsphere Export Sdn. Bhd.				
# Sam Chem Sphere Joint Stock Company	Socialist Republic of Vietnam	63.25%	63.25%	Distribution of PU, intermediate and specialty chemicals
Held through Sam Chem Sphere Joint Stock Company				
# Samchemsphere Indochina (Vietnam) Company Limited	Socialist Republic of Vietnam	100%	100%	Blending of PU and intermediate chemicals
@Samm Sphere (Cambodia) Company Limited	Cambodia	100%	100%	Dormant
@Samchem Sphere (Myanmar) Company Limited	Myanmar	100%	100%	Dormant
# Meridian Chemicals (Vietnam) Company Limited	Socialist Republic of Vietnam	100%	100%	Blending and distribution of chemicals

Audited by a firm of auditors other than Baker Tilly Monteiro Heng PLT.

[^] Audited by an independent member firm of Baker Tilly International.

@ Consolidated using unaudited management accounts, no statutory requirement for the financial statements to be audited at financial year end.

(a) Material accounting policy information

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

Capital contributions represent unsecured, interest free, non-trade balances with subsidiaries. As these balances are, in substance, a part of the Company's net investment in the subsidiaries, they are stated at cost less accumulated impairment loss, if any. The settlement of these balances is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat them as long-term source of capital to the subsidiaries.

Notes to the Financial Statements

11. Investments in Subsidiaries (continued)

(b) Acquisition of CKJ Logistics Sdn. Bhd.

2024

On 1 February 2024, SC Udes Sdn. Bhd. acquired 100% of equity interest in the shares of CKJ Logistics Sdn. Bhd. (CKJ). CKJ is involved in the logistic services.

(i) Fair value of consideration transferred/payable:

	RM'000
Cash consideraton	8,530

(ii) Fair values of identifiable assets acquired and liabilities recognised:

	RM'000
Assets	
Property, plant and equipment (Note 8)	6,580
Right-of-use assets (Note 9)	1,674
Cash and bank balances	151
Current tax assets	92
Trade and other receivables	1,769
Total assets	10,266
Liabilities	
Borrowings	(3,787)
Lease liabilities	(1,546)
Deferred tax liabilities	(655)
Trade and other payables	(1,615)
Total liabilities	(7,603)
Total identifiable net assets acquired	2,663
Goodwill arising on acquisition (Note 10)	5,867
Fair value of consideration transferred	8,530

Goodwill

Goodwill arising from the acquisition comprises the value of expected synergies arising from the acquisition and non-identifiable intangible assets which are not separately recognised.

Acquisition-related costs

Acquisition-related costs of the business combination amounted to RM29,090, were recognised in profit or loss as administrative expenses.

(iii) Effects of acquisitions on cash flows:

	RM'000
Fair value of consideration transferred	8,530
Less: Cash and cash equivalents of subsidiary acquired, net of bank overdrafts	1,305
Net cash outflows on acquisitions	9,835

11. Investments in Subsidiaries (continued)

(b) Acquisition of CKJ Logistics Sdn. Bhd. (continued)

(iv) Effects of acquisition in the consolidated statement of comprehensive income.

From the date of acquisition, the subsidiary's contributed revenue and profit net of tax are as follows:

	RM'000
Revenue	8,600
Profit for the financial year	81

If the acquisition had occurred on 1 January 2024, the consolidated results for the financial year ended 31 December 2024 would have been as follows:

	RM'000
Revenue	1,215,665
Profit for the financial year	19,847

(c) Changes in shareholdings in subsidiaries

2024

On 12 March 2024, the directors of Sampro Distribution Sdn. Bhd., a subsidiary of the Company, approved to request the Companies Commission of Malaysia to exercise its power to strike the Company's name off the Register.

(d) Subscription of shares in subsidiaries

On 25 June 2025, the Company subscribed for 3,000,000 ordinary shares in SC Terminal Sdn. Bhd. for a total cash consideration of RM3,000,000.

(e) Non-controlling interests (NCI) in subsidiaries

(i) The subsidiaries of the Group that have material NCI are as follows:

	Sam Chem Sphere Joint Stock Company RM'000	Other Individually Immaterial Subsidiaries RM'000	Total RM'000
2025			
NCI effective ownership interest and voting interest	36.75%		
Carrying amount of NCI	26,291	(825)	25,466
Profit allocated to NCI	1,109	477	1,586
Total other comprehensive loss allocated to NCI	(2,271)	(1,146)	(3,417)
Total comprehensive loss allocated to NCI	(1,162)	(669)	(1,831)

Notes to the Financial Statements

11. Investments in Subsidiaries (continued)

(e) Non-controlling interests (NCI) in subsidiaries (continued)

(i) The subsidiaries of the Group that have material NCI are as follows (continued):

	Sam Chem Sphere Joint Stock Company RM'000	Other Individually Immaterial Subsidiaries RM'000	Total RM'000
2024			
NCI effective ownership interest and voting interest	36.75%		
Carrying amount of NCI	28,677	(155)	28,522
Profit/(Loss) allocated to NCI	2,759	(280)	2,479
Total other comprehensive loss allocated to NCI	(1,699)	(709)	(2,408)
Total comprehensive income/(loss) allocated to NCI	1,060	(989)	71

(ii) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at each reporting date are as follows:

	Sam Chem Sphere Joint Stock Company	
	2025 RM'000	2024 RM'000
Assets and liabilities		
Non-current assets	33,822	39,851
Current assets	101,538	142,155
Non-current liabilities	(145)	(5,778)
Current liabilities	(63,676)	(98,195)
Net assets	71,539	78,033
Results		
Revenue	379,577	472,380
Profit for the financial year	3,019	7,507
Other comprehensive loss	(6,182)	(4,622)
Total comprehensive (loss)/income for the financial year	(3,163)	2,885
Cash flows generated from/(used in):		
– operating activities	9,471	3,773
– investing activities	(16)	(376)
– financing activities	(14,912)	(399)
Net (decrease)/increase in cash and cash equivalents	(5,457)	2,998
Dividends paid to NCI	1,225	2,329

(iii) There are no restrictions in the ability of the Group to access or use the assets and settle the liabilities of the subsidiaries.

12. Deferred Tax Assets/(Liabilities)

	Group	
	2025 RM'000	2024 RM'000
At 1 January	(904)	(966)
Recognised in profit or loss	(282)	771
Acquisition of a subsidiary (Note 11)	–	(655)
Effect of movements in exchange rate	(112)	(54)
At 31 December	(1,298)	(904)

Presented after appropriate offsetting as follows:

	2025 RM'000	2024 RM'000
Deferred tax assets	563	626
Deferred tax liabilities	(1,861)	(1,530)
	(1,298)	(904)

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

	At 1 January 2024 RM'000	Recognised in Profit or Loss (Note 6) RM'000	Acquisition of a Subsidiary RM'000	Exchange Differences RM'000	At 31 December 2024 RM'000	Recognised in Profit or Loss (Note 6) RM'000	Exchange Differences RM'000	At 31 December 2025 RM'000
Group								
Deductible temporary differences in respect of expenses	756	614	–	(54)	1,316	(228)	(112)	976
Difference between the carrying amounts of property, plant and equipment and their tax base	(1,684)	(140)	(655)	–	(2,479)	(153)	–	(2,632)
Unutilised tax losses	(38)	297	–	–	259	99	–	358
	(966)	771	(655)	(54)	(904)	(282)	(112)	(1,298)

The estimated amount of temporary differences for which no deferred tax assets are recognised in the financial statements are as follows:

	Group	
	2025 RM'000	2024 RM'000
Deductible temporary differences in respect of expenses	759	767
Unutilised tax losses	8,593	8,506
Unabsorbed capital allowances	7	6
	9,359	9,279

Notes to the Financial Statements

12. Deferred Tax Assets/(Liabilities) (continued)

The unutilised tax losses are available for offset against future taxable profits of the subsidiaries up to the following financial years:

	Group	
	2025 RM'000	2024 RM'000
2028	6,834	6,834
2029	–	–
2030	66	66
2031	256	256
2032	147	147
2033	339	382
2034	765	821
2035	186	–
	8,593	8,506

13. Inventories

	Group	
	2025 RM'000	2024 RM'000
At cost:		
Trading goods	123,372	142,461
Goods-in-transit	8,623	4,341
Packaging materials	203	203
	132,198	147,005

(a) Material accounting policy information

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis.

(b) Significant accounting judgements, estimates and assumptions

Reviews are made periodically by the Group on damaged and slow-moving inventories. These reviews require judgement and estimates. In determining the net realisable value of the inventories, an estimation of the recoverable amount of inventories on hand is performed by the Group based on the most reliable evidence available at the time the estimates are made. These estimates take into consideration the fluctuations of selling price or any inventories on hand that may not be realised, as a result of events occurring after the end of the reporting period to the extent such events confirm conditions existing at the end of the reporting period. Possible changes in these estimates could result in revisions to the valuation of inventories.

(c) The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM985,868,152 (2024: RM1,092,499,072).

(d) The amount recognised as an expense in other expenses during the financial year in respect of written off of inventories was RM18,652 (2024: RM261,087).

(e) During the financial year, the Group reversed inventories written down previously amounting to RM216,681 (2024: RM9,214), as these inventories were sold above their carrying amounts with the improvement in selling prices. The amount is included in other income.

14. Trade Receivables

	Group	
	2025 RM'000	2024 RM'000
Trade receivables	177,815	223,738
Less: Allowance for impairment losses	(5,288)	(5,741)
	172,527	217,997

(a) Significant accounting judgements, estimates and assumptions

The provisions of expected credit losses for receivables are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the expected credit losses (ECL) calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions over the expected settlement period of the trade receivables. The Group's assessment of the indicators, historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Trade receivables are non-interest bearing and normal credit terms offered by the Group and ranging from 30 to 90 days (2024: 30 to 90 days) from the date of invoices. Other credit terms are assessed and approved on a case-by-case basis.

The movement in the allowance for impairment losses of trade receivables is as follows:

	Group	
	2025 RM'000	2024 RM'000
At 1 January	5,741	6,447
Charge for impairment losses (Note 4)	1,056	533
Written off	(725)	–
Reversal of impairment losses (Note 4)	(361)	(929)
Effect of movement in exchange rate	(423)	(310)
At 31 December	5,288	5,741

The information about the credit exposures is disclosed in Note 28(b)(i).

Notes to the Financial Statements

15. Other Receivables, Deposits and Prepayments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other receivables	673	773	2	2
Advance payments to suppliers	5,776	2,822	–	–
GST/VAT refundable	19,047	22,497	–	–
Deposits	3,299	1,133	–	–
Prepayments	1,171	1,465	–	–
	29,966	28,690	2	2

(a) Included in GST/VAT refundable of the Group is an amount of RM19,047,000 (2024: RM22,492,000) being indirect taxes paid in advance to tax authorities by certain foreign subsidiaries.

16. Deposits with Licensed Banks

The deposits with licensed banks of the Group bear effective interest rates ranging from 0.80% to 2.35% (2024: 0.80% to 2.40%) per annum and mature between 28 days to 1 year (2024: 31 days to 1 year).

Deposits amounting to RM197,934 (2024: RM194,440) are pledged for bank borrowings granted to the subsidiaries (Note 19). As such, these deposits are not available for general use.

17. Share Capital

	Group and Company			
	2025		2024	
	Number of Shares Unit '000	Amount RM'000	Number of Shares Unit '000	Amount RM'000
Issued and fully paid up (no par value):				
At 1 January/31 December	544,000	136,954	544,000	136,954

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

18. Reserves

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Capital reserve	13,355	13,355	–	–
Reverse acquisition reserve	(40,726)	(40,726)	–	–
Currency translation reserve	(11,610)	(1,897)	–	–
Retained earnings	185,949	177,014	8,112	5,107
	146,968	147,746	8,112	5,107

18. Reserves (continued)

(a) Capital reserve

Capital reserve relates to reserve arising from bonus issue in subsidiary.

(b) Reverse acquisition reserve

Reverse acquisition reserve relates to the difference between the issued equity of the Company together with the deemed business combination costs and the issued equity of Samchem Sdn. Bhd..

Pursuant to the share sales agreement signed between Samchem Sdn. Bhd. and Samchem Holdings Berhad on 16 June 2008, the Company had on 20 February 2009 completed the acquisition of a total of 8 companies ("Acquired Group") namely Samchem Sdn. Bhd., Samchem Logistics Services Sdn. Bhd., Samchem Industries Sdn. Bhd., Samchem Nusajaya Sdn. Bhd., Samchem Lubricants Sdn. Bhd., Eweny Chemicals Sdn. Bhd., Samchemsphere Export Sdn. Bhd. and Samchem Enviro Cycle Sdn. Bhd.. The Group's consolidated statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows are prepared and presented as a continuation of the Acquired Group (the acquirer for reverse acquisition accounting purposes).

For the purpose of reverse acquisition accounting, the cost of acquisition by the Acquired Group of the Company (the legal parent) is recorded as equity. The cost of acquisition is determined using the fair value of the issued equity of the Company before acquisition. It is deemed to be incurred by the Acquired Group in the form of equity issued to the owners of the legal parent.

Since such consolidated financial statements represent a continuation of the financial statements of the Acquired Group:

- (i) the assets and liabilities of the Acquired Group are recognised and measured in the consolidated statement of financial position at their pre-combination carrying amount;
- (ii) the retained earnings and the other equity balances recognised in those consolidated financial statements are the retained earnings and other equity balances of the Acquired Group immediately before the business combination; and
- (iii) the amount recognised as issued equity instruments in those consolidated financial statements is determined by adding to the issued equity of the Acquired Group immediately before the business combination the costs of the combination of the acquisition. However, the equity structure appearing in those consolidated financial statements (i.e. the number and type of equity instruments issued) reflect the equity structure of the legal parent (the Company), including the equity instruments issued by the Company to reflect the combination.

(c) Currency translation reserve

The currency translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Notes to the Financial Statements

19. Borrowings

	Group	
	2025 RM'000	2024 RM'000
Non-current:		
Secured:		
Hire purchase payables – RM	4,521	3,186
– IDR	–	9
Term loans – RM	13,326	15,143
– VND	4,263	9,685
Total non-current borrowings	22,110	28,023
Current:		
Secured:		
Bankers' acceptances – RM	45,912	63,921
Bank overdraft	2,481	2,200
Hire purchase payables – RM	2,003	1,783
– IDR	8	51
Short term loans – VND	46,209	58,629
Foreign currency trade loans – USD	986	10,126
Onshore foreign currency loans – USD	2,894	4,317
Revolving credit	7,567	7,845
Term loans – RM	1,809	1,798
– VND	4,263	4,842
	114,132	155,512
Unsecured:		
Foreign currency trade loans – USD	11,435	7,342
	11,435	7,342
Total current borrowings	125,567	162,854
Total borrowings	147,677	190,877

	Group	
	2025 RM'000	2024 RM'000
Total borrowings		
Bankers' acceptances	45,912	63,921
Bank overdraft	2,481	2,200
Hire purchase payables	6,532	5,029
Short term loans	46,209	58,629
Foreign currency trade loan	12,421	17,468
Onshore foreign currency loans	2,894	4,317
Revolving credit	7,567	7,845
Term loans	23,661	31,468
	147,677	190,877

19. Borrowings (continued)

The secured borrowings of the Group are secured by the following:

- (a) letter of set-off over the deposits with licensed banks of subsidiaries (Note 16);
- (b) legal charge over the freehold land, leasehold land and buildings of subsidiaries (Notes 8 and 9); and
- (c) corporate guarantee from the Company and a subsidiary.

The borrowings bear interest at rates as follows:

	Group	
	2025 % per annum	2024 % per annum
Bankers' acceptances	3.53 to 4.13	3.80 to 4.27
Bank overdraft	6.90 to 7.40	7.30 to 7.79
Hire purchase payables	2.08 to 5.31	2.03 to 5.31
Short term loans	3.80 to 5.75	3.50 to 4.50
Foreign currency trade loan	4.64	5.26 to 7.25
Onshore foreign currency loans	4.45	5.45 to 5.58
Revolving credit	5.17 to 5.30	5.59
Term loans	3.57 to 7.56	3.57 to 7.65

The maturity profile of term loans is as follows:

	Group	
	2025 RM'000	2024 RM'000
Repayable within 1 year	6,073	6,640
Repayable after 1 year but not later than 2 years	6,091	6,640
Repayable after 2 years but not later than 3 years	1,670	6,640
Repayable after 3 years but not later than 4 years	1,631	1,717
Repayable after 4 years but not later than 5 years	1,631	1,631
Repayable after 5 years	6,565	8,200
	23,661	31,468

Certain motor vehicles of the Group as disclosed in Note 8 are pledged for hire purchase.

The maturity profile of hire purchase payables is as follows:

	Group	
	2025 RM'000	2024 RM'000
Future minimum payments		
– within 1 year	2,254	2,064
– between 2 and 5 years	4,791	3,406
	7,045	5,470
Future finance charges on hire purchase	(513)	(441)
Present value of minimum payments	6,532	5,029
Payable within 1 year (included under current liabilities)	(2,011)	(1,834)
Payable between 2 and 5 years (included under non-current liabilities)	4,521	3,195

Notes to the Financial Statements

20. Lease Liabilities

	Group	
	2025 RM'000	2024 RM'000
Non-current		
Lease liabilities	2,513	7,657
Current		
Lease liabilities	7,712	7,483
	10,225	15,140

The weighted average incremental borrowing rate applied to the lease liabilities was 5.77% (2024: 5.59%) per annum.

	Group	
	2025 RM'000	2024 RM'000
Future minimum lease payments	10,728	15,985
Less: Future finance charges	(503)	(845)
Total present value of minimum lease payments	10,225	15,140
Current liabilities		
Payable within one year		
Future minimum lease payments	8,103	8,071
Less: Future finance charges	(391)	(588)
Present value of minimum lease payments	7,712	7,483
Non-current liabilities		
Payable more than 1 year but not more than 5 years		
Future minimum lease payments	2,625	7,914
Less: Future finance charges	(112)	(257)
Present value of minimum lease payments	2,513	7,657
Total present value of minimum lease payments	10,225	15,140

21. Retirement Benefit Obligations

A subsidiary of the Company in Indonesia operates an unfunded defined benefit scheme, as required under the Labour Law of the Republic of Indonesia.

	Group	
	2025 RM'000	2024 RM'000
At 1 January	1,439	1,395
Provision made during the financial year	215	274
Utilised during the financial year	(6)	(7)
Effect of exchange rate difference	(532)	(223)
At 31 December	1,116	1,439

21. Retirement Benefit Obligations (continued)

The amounts recognised in the statements of financial position are determined as follows:

	Group	
	2025 RM'000	2024 RM'000
Present value obligations	1,116	1,439

The expenses recognised in profit or loss are as follows:

	Group	
	2025 RM'000	2024 RM'000
Current service costs	123	186
Interest on obligation	92	88
	215	274

The defined benefit obligation expense was determined based on actuarial valuations prepared by an independent actuary using the projected unit credit method. Principal assumptions as at the reporting date are as follows:

	Group	
	2025	2024
Normal retirement age	60 years old	60 years old
Discount rate	6.54%	7.09%
Future salary increases	6.00%	9.00%
Withdrawal rate	2.5% at age 15 and linearly decreasing up to age 59	2.5% at age 15 and linearly decreasing up to age 59
Mortality rate	TMI IV	TMI IV

Sensitivity analysis

The sensitivity of the retirement benefits obligations to the significant actuarial assumptions at the end of the reporting date are shown below:

Group	Reasonably Possible Change in Assumption	Effect on Retirement Benefit Obligations	
		Increase RM'000	Decrease RM'000
2025			
Discount rate	1.0%	(109)	138
Future salary growth	1.0%	138	(109)
2024			
Discount rate	1.0%	(164)	211
Future salary growth	1.0%	212	(164)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on retirement benefits obligations as a result of reasonable changes in significant actuarial assumptions occurring at the end of the reporting date.

At 31 December 2025, the weighted-average duration of the defined benefit obligation is 19.32 years (2024: 16.47 years).

Notes to the Financial Statements

22. Trade Payables

	Group	
	2025 RM'000	2024 RM'000
External parties	52,146	67,508

The normal trade credit term granted by the suppliers to the Group ranges from 30 to 90 days (2024: 30 to 90 days).

23. Other Payables, Deposits and Accruals

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Sundry payables		2,671	2,608	–	–
Subsidiary	(a)	–	–	450	450
GST/SST/VAT payable		253	465	–	–
Contract liabilities	(b)	374	1,821	–	–
Accruals		5,352	3,584	110	92
		8,650	8,478	560	542

(a) The amounts owing from a subsidiary are non-trade in nature, unsecured, non-interest bearing, repayable on demand and expected to be settled in cash.

(b) The contract liabilities relate to the advances received from contract customers for sale of goods. The contract liabilities are expected to be recognised as revenue over a period of 30 to 90 days.

Significant changes to contract liabilities balance during the year are as follows:

	Group	
	2025 RM'000	2024 RM'000
Revenue recognised that was included in contract liabilities at the beginning of the financial year	(1,821)	(249)
Increase due to cash received, excluding amounts recognised as revenue during the year	374	1,821

24. Dividends

	Group and Company	
	2025 RM'000	2024 RM'000
Recognised during the financial year		
Dividends on ordinary shares:		
– Single-tier third interim dividend for the financial year ended 31 December 2024: 0.8 sen (2023: 0.6 sen) per ordinary share	4,352	3,264
– Single-tier fourth interim dividend for the financial year ended 31 December 2023: 0.8 sen per ordinary share	–	4,352
– Single-tier first interim dividend for the financial year ended 31 December 2025: 0.8 sen (2024: 0.5 sen) per ordinary share	4,352	2,720
– Single-tier second interim dividend for the financial year ended 31 December 2024: 0.5 sen per ordinary share	–	2,720
	8,704	13,056

24. Dividends (continued)

On 27 February 2026, the directors declared a second interim single-tier exempt dividend of 0.8 sen per ordinary share on 544,000,000 ordinary shares amounting to RM4,352,000 in respect of the financial year ended 31 December 2025. This second interim dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

The directors do not recommend the payment of any final dividend for the financial year ended 31 December 2025.

25. Cash and Cash Equivalents

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances	79,018	66,869	321	288
Deposits with licensed banks (Note 16)	503	8,541	-	-
Less: Fixed deposit pledged (Note 16)	(198)	(195)	-	-
Less: Bank overdraft (Note 19)	(2,481)	(2,200)	-	-
	76,842	73,015	321	288

26. Related Parties

(a) Identity of related parties

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

Related parties of the Group include:

- (i) Subsidiaries;
- (ii) Entities in which the directors of the subsidiaries have substantial financial interests; and
- (iii) Key management personnel of the Group and the Company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

Notes to the Financial Statements

26. Related Parties (continued)

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group	
	2025 RM'000	2024 RM'000
Transactions with companies in which certain directors of subsidiaries have financial interests:		
Purchases of products	1,856	4,012
Sales of products	–	(273)
Transactions with subsidiaries:		
Dividend income	(12,350)	(12,253)

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Note 23 to the financial statements.

(c) Compensation of key management personnel

The remuneration of the key management personnel is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors of the Company and subsidiaries:				
Non-executive director				
– Fees	180	180	180	180
– Other emoluments	36	54	36	54
	216	234	216	234
Executive directors				
– Short term employee benefits	4,649	3,816	–	–
– Post-employment benefits	289	308	–	–
	4,938	4,124	–	–
	5,154	4,358	216	234
Other key management personnel:				
– Short term employee benefits	820	666	–	–
– Post-employment benefits	103	84	–	–
	923	750	–	–
	6,077	5,108	216	234

27. Segment Information

The Group prepared the geographical segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group Chief Executive Officer (CEO) for the purpose of making decisions about resource allocation and performance assessment.

The reportable operating segments are as follows:

- (i) Malaysia
- (ii) Republic of Indonesia
- (iii) Socialist Republic of Vietnam
- (iv) Republic of Singapore

Segment revenue and results

Segment results represents profit or loss before tax of the respective business segments. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

Segment assets and liabilities

Segment assets and liabilities are measured based on all assets and liabilities of segment other than those activities that are not part of any reportable segments.

Notes to the Financial Statements

27. Segment Information (continued)

	Malaysia RM'000	Republic of Indonesia RM'000	Socialist Republic of Vietnam RM'000	Republic of Singapore RM'000	Elimination RM'000	Total RM'000
2025						
Revenue						
External revenue	537,631	88,050	460,253	24,064	–	1,109,998
Inter-segment revenue (Note a)	179,440	196	4,047	2,075	(185,758)	–
Total segment revenue	717,071	88,246	464,300	26,139	(185,758)	1,109,998
Results						
Segment results/Profit/(Loss) before tax	19,829	(1,194)	6,640	1,417	–	26,692
Income tax expense						(7,467)
Profit for the financial year						19,225
Assets						
Total assets	314,543	44,955	164,123	8,907	–	532,528
Liabilities						
Total liabilities	120,660	6,786	95,275	419	–	223,140
Other segment information						
Depreciation	5,940	1,668	6,701	2	–	14,311
Employee benefits expense	24,240	3,508	10,561	1,318	–	39,627
Expenses relating to short term leases	1,567	39	2,873	129	–	4,608
Interest income (Note b)	(1,392)	(77)	(42)	(1)	510	(1,002)
Interest expense (Note b)	5,897	398	3,966	90	510	10,861
Impairment loss on trade receivables	591	168	291	6	–	1,056
Reversal of impairment loss on trade receivables	(360)	–	(1)	–	–	(361)
Inventories written off	10	9	–	–	–	19
Reversal of inventories written down	(185)	(32)	–	–	–	(217)
Additions to non-current assets other than financial instruments and deferred tax assets	4,642	3,874	693	–	–	9,209

27. Segment Information (continued)

	Malaysia RM'000	Republic of Indonesia RM'000	Socialist Republic of Vietnam RM'000	Republic of Singapore RM'000	Elimination RM'000	Total RM'000
2024						
Revenue						
External revenue	607,915	70,351	508,644	28,096	–	1,215,006
Inter-segment revenue (Note a)	190,203	–	1,253	2,610	(194,066)	–
Total segment revenue	798,118	70,351	509,897	30,706	(194,066)	1,215,006
Results						
Segment results/Profit/(Loss) before tax	17,366	(2,920)	9,957	2,128	–	26,531
Income tax expense						(6,578)
Profit for the financial year						19,953
Assets						
Total assets	335,614	51,699	206,089	7,263	–	600,665
Liabilities						
Total liabilities	145,948	8,549	130,129	2,817	–	287,443
Other segment information						
Depreciation	5,696	1,553	7,203	50	–	14,502
Employee benefits expense	22,363	3,738	10,865	1,334	–	38,300
Expenses relating to short term leases	1,474	44	2,359	77	–	3,954
Interest income (Note b)	(1,154)	(218)	(79)	–	279	(1,172)
Interest expense (Note b)	5,765	206	3,583	2	(279)	9,277
Impairment loss on trade receivables	344	81	108	–	–	533
Reversal of impairment loss on trade receivables	(186)	–	(98)	(645)	–	(929)
Inventories written off	193	68	–	–	–	261
Reversal of inventories written down	(9)	–	–	–	–	(9)
Additions to non-current assets other than financial instruments and deferred tax assets	19,428	1,240	16,690	–	–	37,358

Notes:

(a) Inter-segment revenues are eliminated on consolidation.

(b) Inter-segment interests are eliminated on consolidation.

Notes to the Financial Statements

27. Segment Information (continued)

Information about geographical areas

Revenue information based on the geographical location of customers is as follows:

	2025 RM'000	2024 RM'000
Malaysia	537,631	607,915
Republic of Indonesia	88,050	70,351
Socialist Republic of Vietnam	460,253	508,644
Republic of Singapore	24,064	28,096
	1,109,998	1,215,006

Non-current assets which do not include financial instruments and deferred tax assets analysed by geographical location of the assets are as follows:

	2025 RM'000	2024 RM'000
Malaysia	73,139	74,828
Republic of Indonesia	4,151	2,337
Socialist Republic of Vietnam	35,185	46,605
Republic of Singapore	1	6
	112,476	123,776

Information about major customers

There is no single customer with revenue equal or more than 10% of the Group revenue.

28. Financial Instruments

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

(i) Amortised cost

Group	Amortised Cost RM'000	Total RM'000
2025		
Financial assets		
Receivables and deposits (exclude advance payment to suppliers, GST/VAT refundable and prepayments)	176,499	176,499
Deposits with licensed banks	503	503
Cash and bank balances	79,018	79,018
	256,020	256,020
Financial liabilities		
Payables and accruals (exclude GST/VAT payable and contract liabilities)	60,169	60,169
Loans and borrowings	147,677	147,677
	207,846	207,846

28. Financial Instruments (continued)

(a) Categories of financial instruments (continued)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned (continued):

(i) Amortised cost (continued)

Group	Amortised Cost RM'000	Total RM'000
2024		
Financial assets		
Receivables and deposits <i>(exclude advance payment to suppliers, GST/VAT refundable and prepayments)</i>	219,903	219,903
Deposits with licensed banks	8,541	8,541
Cash and bank balances	66,869	66,869
	295,313	295,313
Financial liabilities		
Payables and accruals <i>(exclude GST/SST/VAT payable and contract liabilities)</i>	73,700	73,700
Loans and borrowings	190,877	190,877
	264,577	264,577
2025		
Financial assets		
Receivables	2	2
Cash and bank balances	321	321
	323	323
Financial liability		
Other payable and accruals	560	560
2024		
Financial assets		
Receivables	2	2
Cash and bank balances	288	288
	290	290
Financial liability		
Accruals	542	542

Notes to the Financial Statements

28. Financial Instruments (continued)

(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 Group's and the Company's overall financial risk management objective is to optimise value for their shareholders.

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

The Group's and the Company's exposure to the financial risks and the objectives, policies and processes put in place to manage these risks are discussed below.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from their operating activities (primarily trade receivables), including deposits with banks and other financial instruments. The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. The Group has in place its debts recovery procedures including initiate legal proceedings to recover long overdue balances.

The Group and the Company consider a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, such as a default of past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; and
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation.

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

28. Financial Instruments (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables

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

The carrying amounts of trade receivables are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

The exposure of credit risk for trade receivables before impairment loss as at the end of the financial year by geographic region are as follows:

	Group			
	2025		2024	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	103,246	58%	127,631	57%
Indonesia	13,341	8%	18,034	8%
Vietnam	57,573	32%	74,984	34%
Singapore	3,655	2%	3,089	1%
	177,815	100%	223,738	100%

The Group applies the simplified approach to providing for expected credit losses (ECL) prescribed by MFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due which were estimated to be immaterial to the Group. The Group also individually assessed ECL of individual customers based on indicators such as changes in financial capability of the receivables, payment trends of the receivable and default or significant delay in payments. The determination of ECL also incorporate economic conditions during the period of historical data, current conditions and forward-looking information on the economic conditions over the expected settlement period of the receivables. The Group believes that changes in economic conditions over these periods would not materially impact the impairment calculation of the receivables.

Notes to the Financial Statements

28. Financial Instruments (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables (continued)

The information about the credit risk exposure on the Group's trade receivables as follows:

Group	Gross Carrying Amount RM'000	ECL Allowance RM'000	Net Balance RM'000
2025			
Current (not past due)	128,494	–	128,494
1 - 30 days past due	28,502	–	28,502
31 - 60 days past due	7,760	–	7,760
61 - 90 days past due	2,485	–	2,485
91 - 120 days past due	4,822	–	4,822
More than 120 days past due	464	–	464
Individually assessed (credit impaired)	5,288	(5,288)	–
	177,815	(5,288)	172,527
2024			
Current (not past due)	165,222	–	165,222
1 - 30 days past due	31,939	–	31,939
31 - 60 days past due	12,392	–	12,392
61 - 90 days past due	2,877	–	2,877
91 - 120 days past due	4,531	–	4,531
More than 120 days past due	1,036	–	1,036
Individually assessed (credit impaired)	5,741	(5,741)	–
	223,738	(5,741)	217,997

Other receivables and other financial assets

For other receivables and other financial assets (including deposits and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

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

The Group and the Company consider these financial assets to have low credit risk and any loss allowance would be negligible. The Group and the Company did not recognise any loss allowance for impairment for other receivables and other financial assets.

28. Financial Instruments (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Financial guarantee

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of banking facilities granted to certain subsidiaries and to suppliers for credit term granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risk amounts to RM149,601,288 (2024: RM208,114,527) representing the outstanding banking facilities and certain trade payables of the subsidiaries at the reporting date. Generally, the Company considers the financial guarantees have low credit risk. As at the reporting date, there was no loss allowance for expected credit losses as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as most guarantees are provided as credit enhancements to the subsidiary companies' secured borrowings.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. 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 use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to manage its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. In addition, the Group and the Company maintain sufficient levels of cash and available banking facilities at a reasonable level to their overall debt position to meet their working capital requirement.

Notes to the Financial Statements

28. Financial Instruments (continued)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations:

Group	Carrying Amount RM'000	Contractual Cash Flows RM'000	On Demand or Within 1 Year RM'000	1 to 2 Years RM'000	2 to 5 Years RM'000	Over 5 Years RM'000
2025						
Financial liabilities						
Trade payables	52,146	52,146	52,146	-	-	-
Other payables, deposits and accruals*	8,023	8,023	8,023	-	-	-
Bankers' acceptances	45,912	45,912	45,912	-	-	-
Bank overdraft	2,481	2,481	2,481	-	-	-
Hire purchase payables	6,532	7,045	2,254	1,727	3,064	-
Lease liabilities	10,225	10,728	8,103	2,625	-	-
Foreign currency trade loan	12,421	12,421	12,421	-	-	-
Onshore foreign currency loans	2,894	2,894	2,894	-	-	-
Revolving credit	7,567	7,567	7,567	-	-	-
Short term loans	46,209	46,209	46,209	-	-	-
Term loans	23,661	27,415	7,006	7,467	6,160	6,782
	218,071	222,841	195,016	11,819	9,224	6,782
2024						
Financial liabilities						
Trade payables	67,508	67,508	67,508	-	-	-
Other payables, deposits and accruals*	6,192	6,192	6,192	-	-	-
Bankers' acceptances	63,921	63,921	63,921	-	-	-
Bank overdraft	2,200	2,200	2,200	-	-	-
Hire purchase payables	5,029	5,470	2,064	1,602	1,804	-
Lease liabilities	15,140	15,985	8,071	7,205	709	-
Onshore foreign currency loans	4,317	4,317	4,317	-	-	-
Foreign currency trade loan	17,468	17,468	17,468	-	-	-
Revolving credit	7,845	7,845	7,845	-	-	-
Short term loans	58,629	58,629	58,629	-	-	-
Term loans	31,468	36,367	7,723	7,634	11,777	9,233
	279,717	285,902	245,938	16,441	14,290	9,233

* Exclude GST/SST/VAT payable and contract liabilities

2025/2024

Company

The Company's financial liabilities and its financial guarantee contracts as disclosed in Note 28(b)(i) at the reporting date either matures within one year or repayable on demand.

28. Financial Instruments (continued)

(b) Financial risk management (continued)

(iii) Interest rate risk

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

The Group's exposure to interest rate risk arises primarily from deposits placed with licensed banks, amounts due from or to subsidiaries and borrowings. The deposits placed with licensed banks at fixed rate expose the Group to fair value interest rate risk.

Borrowings at floating rate amounting to RM141,145,436 (2024: RM185,848,223) expose the Group to cash flow interest rate risk. The Group manages its interest rate risk exposure by maintaining a mix of fixed and floating rate loans and borrowings.

The Group does not have any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Sensitivity analysis for interest rate risk

If the interest rate had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the financial year ended 31 December 2025 would decrease/increase by RM547,299 (2024: RM721,932) as a result of exposure to floating rate borrowings.

(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 changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in currencies other than the functional currencies of the Group entities, primarily United States Dollar (USD), Vietnam Dong (VND) and Indonesian Rupiah (IDR). The foreign currencies in which these transactions are mainly denominated are USD, Singapore Dollar (SGD), Euro and IDR.

Forward currency contracts may be used by certain subsidiaries to reduce exposure to fluctuations in foreign currency risk. In addition, the Group holds cash and cash equivalents denominated in foreign currencies to pay its foreign purchases as a natural hedge against fluctuations in foreign currency risk.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Republic of Indonesia, Socialist Republic of Vietnam and Republic of Singapore.

Notes to the Financial Statements

28. Financial Instruments (continued)

(b) Financial risk management (continued)

(iv) Foreign currency risk (continued)

The Group's and the Company's unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows:

	Group Functional Currencies				Total RM'000	Company Functional Currency	
	Ringgit Malaysia RM'000	US Dollar RM'000	Vietnam Dong RM'000	Indonesian Rupiah RM'000		Ringgit Malaysia RM'000	Total RM'000
At 31 December 2025							
Financial assets and liabilities not held in functional currencies:							
Trade receivables							
US Dollar	5,227	-	2,459	-	7,686	-	-
Singapore Dollar	213	1,824	-	-	2,037	-	-
	5,440	1,824	2,459	-	9,723	-	-
Cash and short term deposits							
US Dollar	9,618	-	482	137	10,237	2	2
Indonesian Rupiah	2	-	-	-	2	-	-
Singapore Dollar	272	4,865	-	-	5,137	-	-
	9,892	4,865	482	137	15,376	2	2
Trade payables							
US Dollar	(10,328)	-	(12,462)	(1,920)	(24,710)	-	-
Singapore Dollar	(4)	(1,354)	-	-	(1,358)	-	-
	(10,332)	(1,354)	(12,462)	(1,920)	(26,068)	-	-
Borrowings							
US Dollar	(15,315)	-	-	-	(15,315)	-	-
Total							
US Dollar	(10,798)	-	(9,521)	(1,783)	(22,102)	2	2
Indonesian Rupiah	2	-	-	-	2	-	-
Singapore Dollar	481	5,335	-	-	5,816	-	-
	(10,315)	5,335	(9,521)	(1,783)	(16,284)	2	2

28. Financial Instruments (continued)

(b) Financial risk management (continued)

(iv) Foreign currency risk (continued)

The Group's and the Company's unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows (continued):

	Group					Company	
	Ringgit Malaysia RM'000	US Dollar RM'000	Vietnam Dong RM'000	Indonesian Rupiah RM'000	Total RM'000	Ringgit Malaysia RM'000	Total RM'000
At 31 December 2024							
Financial assets and liabilities not held in functional currencies:							
Trade receivables							
US Dollar	11,153	–	2,516	99	13,768	–	–
Singapore Dollar	57	1,834	–	–	1,891	–	–
	11,210	1,834	2,516	99	15,659	–	–
Cash and short term deposits							
US Dollar	6,297	–	999	99	7,395	3	3
Indonesian Rupiah	2	–	–	–	2	–	–
Singapore Dollar	174	2,548	–	–	2,722	–	–
	6,473	2,548	999	99	10,119	3	3
Trade payables							
US Dollar	(16,658)	–	(20,513)	(2,532)	(39,703)	–	–
Euro	(146)	–	–	–	(146)	–	–
Singapore Dollar	(8)	(287)	–	–	(293)	–	–
	(16,810)	(287)	(20,513)	(2,532)	(40,142)	–	–
Borrowings							
US Dollar	(16,474)	–	–	(3,133)	(19,607)	–	–
Total							
US Dollar	(15,682)	–	(16,998)	(5,467)	(38,147)	3	3
Euro	(146)	–	–	–	(146)	–	–
Indonesian Rupiah	2	–	–	–	2	–	–
Singapore Dollar	225	4,095	–	–	4,320	–	–
	(15,601)	4,095	(16,998)	(5,467)	(33,971)	3	3

Notes to the Financial Statements

28. Financial Instruments (continued)

(b) Financial risk management (continued)

(iv) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and of the Company's profit for the financial year to a reasonably possible change in the USD and IDR exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Group	
	2025 RM'000	2024 RM'000
USD/RM		
– strengthened 5%	(410)	(600)
– weakened 5%	410	600
USD/VND		
– strengthened 5%	(380)	(680)
– weakened 5%	380	680
USD/IDR		
– strengthened 5%	(70)	(210)
– weakened 5%	70	210

29. Fair Value of Financial Instruments

The methods and assumptions used to determine the fair value of the following classes of financial assets and liabilities are as follows:

(a) Cash and cash equivalents, trade and other receivables and payables

The carrying amounts of cash and cash equivalents, trade and other receivables and payables are reasonable approximation of fair values due to short term nature of these financial instruments.

(b) Borrowings

The carrying amounts of the current portion of borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

The carrying amounts of long term floating rate loans approximate their fair values as the loans will be re-priced to market interest rate on or near reporting date.

The fair value of hire purchase payables is estimated using discounted cash flow analysis, based on current lending rate for similar types of borrowing arrangements.

30. Fair Value Hierarchy

As at 31 December 2025 and 2024, the Group held the following financial instruments not measured at fair value:

	Carrying Amount RM'000	Fair value		
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
2025				
Financial liabilities				
Hire purchase payables	6,532	–	6,408	–
2024				
Financial liabilities				
Hire purchase payables	5,029	–	5,017	–

During the financial years ended 31 December 2025 and 2024, there was no transfer between fair value hierarchy.

31. Capital Management

The Group manages its capital to ensure that it maintains healthy capital ratios to support its business whilst maximising the return to its shareholders through the optimisation of the debt-to-equity ratio to reduce cost of capital. The Group's strategy in capital management remains unchanged from 2024.

The Group manages its capital structure and makes adjustments to it, in light of changes in business and economic conditions. To maintain or adjust structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

The debt-to-equity ratio is calculated as net debts divided by total capital of the Group. Net debts comprise bank borrowings and lease liabilities less deposits, cash and bank balances whilst total capital is the total equity of the Group. The debt-to-equity ratio as at 31 December 2025 and 2024, which are within the Group's objectives of capital management are as follows:

	Group	
	2025	2024
Total interest-bearing borrowings and lease liabilities (RM'000)	157,902	206,017
Less: Deposits, cash and bank balances (RM'000)	(79,521)	(75,410)
Total net debts (RM'000)	78,381	130,607
Total equity (RM'000)	309,388	313,222
Debt-to-equity ratio (%)	25	42

Certain subsidiaries of the Group are required to maintain certain level of capital requirements on gearing ratio, leverage ratio and net worth in respect of their bank borrowings requirements.

Statement by Directors

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

We, **NG AI RENE** and **NG THIN POH**, being two of the directors of SAMCHEM HOLDINGS BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 80 to 133 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

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

NG AI RENE

Director

NG THIN POH

Director

Date: 13 April 2026

Statutory Declaration

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

I, **NG BING HONG**, being the officer primarily responsible for the financial management of SAMCHEM HOLDINGS BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 80 to 133 are correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed at
Shah Alam in the State of Selangor Darul Ehsan
on 13 April 2026.

NG BING HONG

MIA Membership No.: 48425

Before me

LEONG YUE CHOW [B480]

Commissioner for Oaths

Independent Auditors' Report

to the Members of Samchem Holdings Berhad
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Samchem Holdings Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 80 to 133.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with 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"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

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

Group

Goodwill on business combination (Note 10 to the financial statements)

The Group has a goodwill arising from the acquisition of a subsidiary, CKJ Logistics Sdn. Bhd. amounting to RM5,870,000. The accounting policy of the Group is to test goodwill at least annually for impairment.

We focused on this area because the impairment assessment requires the exercise of significant judgement and estimates made by the directors on the discount rate applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projection which include future revenue and gross profit margin.

Our response:

Our audit procedures included, among others:

- ✎ discussing the appropriateness of the valuation methodology adopted by the Company;
- ✎ discussing the basis adopted by directors in relation to key assumptions applied in the projections;
- ✎ testing the mathematical computation of the impairment assessment; and
- ✎ performing a sensitivity analysis around key assumptions that are expected to be more sensitive to the recoverable amount.

Inventory (Note 13 to the financial statements)

The Group's inventories, comprise mainly trading goods, are measured at the lower of cost and net realisable value amounting to RM132,198,000. Significant judgement is required in estimating their net realisable value and in identifying any allowance required for slow-moving inventories.

Our response:

Our audit procedures included, among others:

- ✎ understanding the design and implementation of controls associated with monitoring, detection and write down of slow-moving inventories or to net realisable value as at 31 December 2025;
- ✎ observing year end physical inventory count to examine physical existence and condition of the trading goods and understanding the design and implementation of controls during the count;
- ✎ comparing the estimated net realisable value of selected trading goods against their unit cost;

Independent Auditors' Report

to the Members of Samchem Holdings Berhad

- ✎ discussing with the Group whether the inventories have been written down to their net realisable value for inventory items with net realisable value lower than their cost, if any; and
- ✎ reviewing the work papers of the component auditors in accessing inventory valuation of significant subsidiaries not audited by us.

Trade receivables (Note 14 to the financial statements)

The Group has significant trade receivables as at 31 December 2025 amounting to RM172,527,000 which include certain amounts which were overdue. We focused on this area because the Group made significant judgements over assumptions about risk of default and expected loss rate. In making the assumptions, the Group selected 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 the reporting period.

Our response:

Our audit procedures included, among others:

- ✎ understanding the design and controls associated with monitoring and assessment on recoverability of outstanding receivables;
- ✎ understanding the significant credit exposures of receivables that were significantly overdue or deemed to be in default through analysis of ageing reports prepared by the Group;
- ✎ obtaining confirmation of balances from selected receivables;
- ✎ checking subsequent receipts and the level of activity with the customer and management explanation on recoverability of significantly past due balances;
- ✎ testing the calculation of expected credit losses as at the end of the reporting period; and
- ✎ reviewing the work papers of component auditors in accessing expected credit losses of significant subsidiaries not audited by us.

Company

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to be communicated in our auditors' report.

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 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:

- 🔍 identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 🔍 obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- 🔍 evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 🔍 conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- 🔍 evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- 🔍 plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 11 to the financial statements.

Other Matters

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

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA)
& AF 0117
Chartered Accountants

Andrew Choong
Tuck Kuan
03264/04/2027 J
Chartered Accountant

Kuala Lumpur
Date: 13 April 2026

Particulars of Properties

Postal Address/ Title Details	Description/ Existing Use	Tenure/ Date of Expiry of Lease	Restriction in Interest/ Encumbrances	Date of Issuance of Certificate of Fitness for Occupation	Land Area and/or Built Up Area	Approximate Age of Building	Net Book Value As At 31.12.2025 (RM)	Cost of Investment (RM)
Samchem Sdn Bhd								
Lot 6, Jalan Sungai Kayu Ara 32/39 Seksyen 32, 40460 Shah Alam Selangor Darul Ehsan	Single-storey detached warehouse annexed with a 3-storey office building and a guard house/ Industrial	Freehold	Nil/Charges in favour of Maybank Berhad ("MBB") vide presentation no. 34391/2004, 34392/2004, 34393/2004 all dated 04.06.2004, 4087/2005 dated 31.01.2005, 9549/2006 and 9550/2006 dated 21.02.2006, 118146/2006 dated 27.12.2006 and 81512/2008 dated 26.08.2008	29.01.2007	103,431 sq.ft/ 78,470 sq.ft	18 years	7,625,751	10,576,993
Lot No.35 Pulau Indah Industrial Park Phase 3C HSD 164239, No. PT 152661 Mukim Klang, Klang Selangor Darul Ehsan	Single-storey detached warehouse annexed with a single-storey office building and a guard house/ Industrial	Leasehold – 99 years expiring on 30.03.2097	Charges in favour of HLBB vide reference no. 002611004704 dated 02.02.2018	31.01.2020	200,376 sqft	3 years	27,217,855	28,078,670

Postal Address/ Title Details	Description/ Existing Use	Tenure/ Date of Expiry of Lease	Restriction in Interest/ Encumbrances	Date of Issuance of Certificate of Fitness for Occupation	Land Area and/or Built Up Area	Approximate Age of Building	Net Book Value As At 31.12.2025 (RM)	Cost of Investment (RM)
Samchem Nusajaya Sdn Bhd								
PTD 152691, Jalan SILC 2 SILC, 81550 Gelang Patah Johor Darul Takzim	4 Block of single-storey factory and 1 Block of 3-storey office building	Freehold	Charges in favour of HLBB vide presentation no. 66343/2008 dated 19.08.2008	03.03.2009	200,000 sq.ft/ 81,064 sq.ft	16 years	9,604,870	11,807,824
H.S. (D) 440468 Lot No. PTD 152691 Mukim Pulai, Johor Bahru Johor Darul Takzim								
Meridian Chemicals (Vietnam) Company Limited								
Lot A3, Road No.1, Duc Hoa 3 Industrial Park, Tan A Dai Thanh Group, Duc Hanh 2 Hamlet, Duc Lap Ha Commune, Duc Hoa District, Long An Province, Vietnam	Single-storey warehouse, 1 Block of office building and a staff quarter	Leasehold – expiring on 31.12.2057	Charges in favour of OCBC	—	28,669 m ² / 13,840 m ²	3 years	25,545,739 [VND]	27,554,907 [VND]
							163,958, 681,139]	176,846, 565,376]

Analysis of Shareholdings

As At 31 March 2026

Number of Total Issued and Paid Up Share Capital:	544,000,000
Class of Shares:	Ordinary Share
Voting Rights:	One vote per ordinary share
Number of Shareholders:	4,610

Analysis of Shareholdings

Size of Holdings	No. of Holders		No. of Shares		% of Shares	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less than 100	10	0	171	0	0.00	0.00
100 – 1,000	402	3	235,549	1,500	0.04	0.00
1,001 – 10,000	2,059	14	11,738,740	92,000	2.16	0.02
10,001 – 100,000	1,752	24	62,197,360	893,300	11.43	0.16
100,001 and below 5%	337	7	189,673,428	2,793,700	34.87	0.51
5% and above	2	0	276,374,252	0	50.80	0.00
Total	4,562	48	540,219,500	3,780,500	99.31	0.69

Substantial Shareholders

	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Ng Thin Poh	1,386,000	0.25	249,027,608	45.78
Tan Teck Beng	27,346,644	5.03	120,000*	0.02

* Indirect interest held by spouse and children

Directors' Shareholding

	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Ng Thin Poh	1,386,000	0.25	249,027,608	45.78
Ng Ai Rene	2,656,800	0.49	–	–
Cheong Chee Yun	–	–	–	–
Lok Kai Chun	29,200	0.01	–	–
Dato' Razali Basri	–	–	–	–
Hor Wai Kong	–	–	–	–
Wong Yee Ming	–	–	–	–

* Indirect interest held by spouse and children

List of Top 30 Shareholders

No.	Name	Shareholdings	%
1	Continental Hallmark Sdn. Bhd	249,027,608	45.78
2	Tan Teck Beng	27,346,644	5.03
3	Chooi Chok Khooi	20,016,184	3.68
4	Maybank Nominees (Tempatan) Sdn Bhd <i>Beneficiary: Pledged Securities Account for See Kok Wah</i>	7,917,800	1.46
5	HLB Nominees (Tempatan) Sdn Bhd <i>Beneficiary: Pledged Securities Account for Wong Yee Hui</i>	7,500,000	1.38
6	Maybank Nominees (Tempatan) Sdn Bhd <i>Beneficiary: Pledged Securities Account for Chen Tam Chai</i>	7,498,700	1.38
7	Cartaban Nominees (Tempatan) Sdn Bhd <i>Beneficiary: Exempt AN for Standard Chartered Bank Malaysia Berhad (Wealth Management) (Tempatan)</i>	6,728,500	1.24
8	Louis Lee Pershung	6,000,000	1.10
9	Ng Hoi Peng	5,063,600	0.93
10	Maybank Nominees (Tempatan) Sdn Bhd <i>Beneficiary: Pledged Securities Account for Erwin Selvarajah A/L Peter Selvarajah</i>	3,074,600	0.57
11	Cheong Yuen Lai	3,000,000	0.55
12	Public Nominees (Tempatan) Sdn Bhd <i>Beneficiary: Pledged Securities Account for Ng Hoi Peng (E-SJA)</i>	3,000,000	0.55
13	Michael Lee Fook Soon	2,900,000	0.53
14	Ong Eng Mun	2,800,000	0.51
15	CIMSEC Nominees (Tempatan) Sdn Bhd <i>Beneficiary: CIMB for Ng Ai Rene (PB)</i>	2,656,800	0.49
16	CGS International Nominees Malaysia (Tempatan) Sdn Bhd <i>Beneficiary: Pledged Securities Account for Wong Yee Wah @ Wong Mok Choon (SS2 PJ-CL)</i>	2,430,900	0.45
17	CGS International Nominees Malaysia (Tempatan) Sdn Bhd <i>Beneficiary: Pledged Securities Account for Yoong Kah Yin</i>	2,400,000	0.44
18	RHB Capital Nominees (Tempatan) Sdn Bhd <i>Beneficiary: Pledged Securities Account for Susy Ding (CEB)</i>	2,200,000	0.40
19	Cheah Juw Teck	2,000,000	0.37
20	Ch'ng Yew Kiat	1,996,000	0.37
21	Ng Gan Hooi	1,867,800	0.34
22	Louisa Lee Pernee	1,800,000	0.33
23	Phillip Nominees (Tempatan) Sdn Bhd <i>Beneficiary: Exempt AN for Phillip Capital Management Sdn Bhd</i>	1,699,400	0.31
24	Wendy Ng Ai Hoon	1,582,800	0.29
25	Tan Hee Keat	1,500,000	0.28
26	HSBC Nominees (Asing) Sdn Bhd <i>Beneficiary: Exempt AN for Bank Julius Baer & Co. Ltd. (Singapore Bch)</i>	1,434,300	0.26
27	Maybank Securities Nominees (Tempatan) Sdn Bhd <i>Beneficiary: Pledged Securities Account for Heng Tek Kai @ Heng Tek Chat (REM 166)</i>	1,400,000	0.26
28	Public Nominees (Tempatan) Sdn Bhd <i>Beneficiary: Pledged Securities Account for See Hock Chuan (E-BPT)</i>	1,399,000	0.26
29	Ng Thin Poh	1,386,000	0.25
30	T.O. Lim Holdings Sdn Bhd	1,300,000	0.24
Total		380,926,636	70.02

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting of Samchem Holdings Berhad at Level 3, Lot 6, Jalan Sungai Kayu Ara 32/39, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan, on Friday, 5 June 2026 at 10.30 a.m. for the following purposes:

Agenda

As Ordinary Business

1. To receive the Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2025 and the Report of the Directors and Auditors thereon. **(Note A)**
2. To approve the payment of Directors' Fees amounting to RM225,000/- and benefits of RM9,000/- in respect of the year ended 31 December 2025. **(Resolution 1)**
3. To approve the payment of Directors' Fees amounting to RM400,000/- and benefits of up to RM150,000/- from 1 January 2026 until the next Annual General Meeting. **(Resolution 2)**
4. To re-elect the following Directors who retire pursuant to Clause 97(b) of the Company's Constitution:
 - (i) NG THIN POH **(Resolution 3)**
 - (ii) DATO' RAZALI BASRI **(Resolution 4)**
5. To re-elect Wong Yee Ming, Director who retire pursuant to Clause 100 of the Company's Constitution. **(Resolution 5)**
6. To re-appoint Messrs. Baker Tilly Monteiro Heng PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **(Resolution 6)**

As Special Business

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

7. **Ordinary Resolution**
Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016 **(Resolution 7)**

"THAT subject to the Companies Act, 2016, the Constitution of the Company and the approvals of the Securities Commission, Bursa Malaysia Securities Berhad and other relevant governmental and/or regulatory authorities, if applicable, the Directors of the Company be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act, 2016 to issue shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total issued share capital of the Company for the time being; AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting (AGM) of the Company.

THAT pursuant to Section 85 of the Companies Act, 2016, read together with Clause 13(d) of the Constitution of the Company, approval be and is hereby given to waive the statutory preemptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares pursuant to Sections 75 & 76 of the Companies Act, 2016."

8. **Ordinary Resolution**
Authority to Continuing in Office as Independent Non-Executive Director **(Resolution 8)**

"THAT Dato' Razali bin Basri who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as Independent Non-Executive Director of the Company."

9. Ordinary Resolution

Proposed Renewal of Authority for Purchase of Own Shares by the Company

(Resolution 9)

"THAT subject always to the provisions of the Companies Act, 2016 ("Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant statutory and/or regulatory requirements, the Company be authorised, to the fullest extent permitted by law, to buy-back such amount of Shares in the Company as may be determined by the Directors of the Company from time to time, through Bursa Securities, upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company, provided that:

- (i) the aggregate number of Shares bought-back does not exceed 10% of the total issued and paid-up ordinary share capital of the Company at any time;
- (ii) the maximum amount of funds to be allocated for the shares buy-back shall not exceed the Company's audited retained earnings and/or share premium account at any point in time;
- (iii) the Shares purchased shall be treated in the following manner:
 - (a) the purchased Shares shall be cancelled; or
 - (b) the purchased Shares shall be retained as treasury shares for distribution as dividend to the shareholders and/or resale on Bursa Securities in accordance with the relevant rules of Bursa Securities and/or cancellation subsequently; or
 - (c) part of the purchased Shares shall be retained as treasury shares and the remainder shall be cancelled; or
 - (d) in such other manner as Bursa Securities and other relevant authorities may allow from time to time; or
 - (e) any combination of (a), (b), (c) and (d) above.

AND THAT the authority conferred by this resolution shall commence upon the passing of this resolution until:

- (i) the conclusion of the next Annual General Meeting (AGM) of the Company following the general meeting at which such resolution was passed, at which time the authority will lapse unless renewed by ordinary resolution, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by resolution passed by the Company in general meeting;

whichever occurs first.

AND FURTHER THAT authority be and is hereby given to the Directors of the Company to take all such steps as may be necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities (Central Depository) Industry Act, 1991, and the entering into and execution of all agreements, arrangements and guarantees with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the Shares bought-back) in accordance with the provisions of the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and all other relevant statutory and/or regulatory requirements."

Notice of Annual General Meeting

10. Ordinary Resolution

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Resolution 10)

"THAT subject always to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant statutory and/or regulatory requirements, the Company be authorised, to the fullest extent permitted by law, to enter into and to give effect to the specified Recurrent Related Party Transactions of a revenue or trading nature with the Related Parties as set in Part A of the Circular to Shareholders dated 30 April 2026 which are necessary for its day-to-day operations, to be entered into by the Company on the basis that these transactions are entered into on transaction prices and terms which are not more favourable to the Related Parties than generally available to the public and are not detrimental to the minority shareholders of the Company;

THAT the Proposed Renewal of Shareholders' Mandate is subject to annual renewal. AND THAT any authority conferred by the Proposed Renewal of Shareholders' Mandate, shall only continue to be in force until:

- (i) the conclusion of the next Annual General Meeting (AGM) of the Company following the general meeting at which such resolution was passed, at which time the authority will lapse unless renewed by ordinary resolution, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (iii) revoked or varied by resolution passed by the Company in general meeting;

whichever occurs first.

AND FURTHER THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to the Proposed Renewal of Shareholders' Mandate."

Any Other Business

- 11. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Companies Act, 2016.

By Order of the Board

WONG YOUN KIM (F) (MAICSA 7018778) (SSM PC No.: 201908000410)

LEE CHIN WEN (F) (MAICSA 7061168) (SSM PC No.: 202008001901)

Company Secretaries

30 April 2026

NOTES :

(A) THE AGENDA ITEM IS MEANT FOR DISCUSSION ONLY AS THE PROVISION OF SECTION 340(1)(a) OF THE COMPANIES ACT, 2016 DOES NOT REQUIRE A FORMAL APPROVAL OF THE SHAREHOLDERS FOR THE AUDITED FINANCIAL STATEMENTS. HENCE, THIS AGENDA ITEM IS NOT PUT FORWARD FOR VOTING.

(B) PROXY

- (i) A member of the Company entitled to attend and vote at this Meeting is entitled to appoint a proxy or proxies (or being a corporate member, a corporate representative) to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- (ii) Subject to Note B (v) below, where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
- (iii) The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney or in the case of a corporation executed under its common seal or signed on behalf of the corporation by its attorney duly authorised.
- (iv) To be valid, the instrument appointing a proxy or by an officer and the power of attorney or other authority (if any) must be completed and deposited at the Registered Office of the Company at Lot 6, Jalan Sungai Kayu Ara 32/39, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for the holding of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll).
- (v) 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") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (vi) Only a depositor whose name appears on the Record of Depositors as at 26 May 2026 shall be entitled to attend the said meeting and to appoint a proxy or proxies to attend, speak and/or vote on his/her behalf.
- (vii) Pursuant to Clause 62 of the Constitution of the Company, all resolutions set out in this Notice will be put to vote by way of poll.

(C) EXPLANATORY NOTES ON SPECIAL BUSINESS**Resolution 7 – Renewal of Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.**

The proposed Resolution 7, if passed, will give the Directors of the Company, from the date of the above Annual General Meeting authority to issue and allot shares from the unissued capital of the Company for such purposes as the Directors may deem fit and in the interest of the Company. The authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

THAT pursuant to Section 85 of the Companies Act, 2016, read together with Clause 13(d) of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares pursuant to Sections 75 & 76 of the Companies Act, 2016.

As at the date of this notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the Eighteenth Annual General Meeting held on 30 May 2025 and which will lapse at the conclusion of the Nineteenth Annual General Meeting.

The authority will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

Resolution 8 – Authority to Continue in Office as Independent Non-Executive Director

The Board of Directors applied Practice 5.3 of the Malaysian Code on Corporate Governance (MCCG) and seek the shareholders' approval to continue retain Dato' Razali bin Basri who has served as Independent Non-Executive Director of the Company for a cumulative term of office of more than Nine (9) years through a two-tier voting process at this AGM.

The Board through the Nomination Committee (NC), has determined that Dato' Razali bin Basri is fair and impartial in carrying out his duties to the Company. As Director, he continues to bring independent and objective judgements to Board deliberations and decision-making process as a whole. Dato' Razali bin Basri also has vast and diverse range of experiences and brings the right mix of skills to the Board. The Board therefore, endorsed the NC's recommendation for Dato' Razali bin Basri to be retained as Independent Non-Executive Director of the Company based on the following justification:

- (i) Dato' Razali bin Basri has fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and hence, he would be able to provide an element of objectivity, independent judgement and balance to the Board;
- (ii) His length of services on the Board of more than Nine (9) years does not in any way interfere with his exercise of objective judgement or their ability to act in the best interests of the Company and Group. In fact, Dato' Razali bin Basri, has been with the Company for more than Nine (9) years, is familiar with the Group's business operations and have devoted sufficient time and commitment to his role and responsibilities as an Independent Director for informed and balance decision making; and
- (iii) He has exercised due care during his tenures as Independent Director of the Company and has discharged his duties with reasonable skill and competence, bringing independent judgement and depth into the Board's decision making in the interest of the Company and its shareholders.

Resolution 9 – Proposed Renewal of Authority for Purchase of Own Shares by the Company

The proposed Ordinary Resolution 9 if passed, will empower the Company to purchase and/or hold up to ten per centum (10%) of the issued and paid-up share of the Company. This authority unless revoked or varied by the Company at a General Meeting will expire at the next Annual General Meeting.

Further information on the Proposed Renewal of Authority for Purchase of Own Shares by the Company is set out in Part B of the Circular to Shareholders of the Company which can be downloaded from our Corporate Website at www.samchem.com.my.

Resolution 10 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 10 if passed, will empower the Company and its subsidiaries ("the Group") to enter into Recurrent Related Party Transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on terms which are not more favourable to the Related Parties than generally available to the public and are not detrimental to the minority shareholders of the Company.

Further information on the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions is set out in Part A of the Circular to Shareholders of the Company which can be downloaded from our Corporate Website at www.samchem.com.my.

Statement Accompanying Notice of the 19th Annual General Meeting

Pursuant to paragraph 8.28(2) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad

1. Directors who are standing for re-election at the 19th Annual General Meeting of the Company:
 - a) NG THIN POH (Resolution 3)
 - b) DATO' RAZALI BASRI (Resolution 4)
 - c) WONG YEE MING (Resolution 5)
2. The details profile of the above Directors who are standing for re-election are set out in the Directors' Profile set out on pages 18 to 20 of the Annual Report 2025.
3. The details of the Directors' attendance for Board Meetings are disclosed in the Corporate Governance Statement on page 22 of the Annual Report 2025.
4. The 19th Annual General Meeting of the Company will be held at Level 3, Lot 6, Jalan Sungai Kayu Ara 32/39, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan on Friday, 5 June 2026 at 10.30 a.m.



SAMCHEM HOLDINGS BERHAD
 Registration No. 200701039535 (197567-U)
 (Incorporated in Malaysia)

Proxy Form

*I/*We NRIC No:
(Full Name in Block Capitals)

of
(Address)

being a member/members of Samchem Holdings Berhad, hereby appoint:

1) Name of proxy: NRIC No:
(Full Name in Block Capitals)

Address: No. of shares
 Represented:

2) Name of proxy: NRIC No:
(Full Name in Block Capitals)

Address: No. of shares
 Represented:

or, *the Chairman of the Meeting as *my/*our proxy to vote for *me/*us on *my/*our behalf at the Nineteenth Annual General Meeting of the Company at Level 3, Lot 6, Jalan Sungai Kayu Ara 32/39, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan on Friday, on 5 June 2026 at 10.30 a.m. and at any adjournment thereof.

*My/*Our Proxy(ies) is/are to vote as indicated below:

No.	Resolutions	For*	Against*
1.	To approve the payment of Directors fees amounting to RM225,000 and benefits of RM9,000 for the financial year ended 31 December 2025.		
2.	To approve the payment of Directors' fees amounting to RM400,000 and benefits of up to RM150,000 from 1 January 2026 until the next Annual General Meeting.		
3.	To re-elect Ng Thin Poh as Director.		
4.	To re-elect Dato' Razali Basri as Director.		
5.	To re-elect Wong Yee Ming, Director who retire pursuant to Clause 100 of the Company's Constitution.		
6.	To re-appoint Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to determine their remuneration.		
7.	Special Business – Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016.		
8.	Special Business – Authority to Continuing in Office as Independent Non-Executive Director – Dato' Razali bin Basri		
9.	Special Business – Proposed renewal of authority for purchase of own shares by the Company		
10.	Special Business – Proposed renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

(Please indicate with an "X" in the appropriate space above how you wish your votes to be cast. If you do not do so, the Proxy will vote or abstain from voting at his discretion.)

Dated this day of 2026 Number of shares held

.....
 Signature / Seal of Shareholders:

(* Delete if not applicable)

.....
 CDS Account No.



STAMP

To:

Samchem Holdings Berhad

Registration No. 200701039535 (797567-U)

Lot 6, Jalan Sungai Kayu Ara 32/39
Seksyen 32, 40460 Shah Alam
Selangor Darul Ehsan, Malaysia

NOTES:

- (a) A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy or proxies (or being a corporate member, a corporate representative) to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- (b) Subject to (e) below, where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
- (c) The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney or in the case of a corporation executed under its common seal signed on behalf of the corporation by its attorney or by an officer duly authorised.
- (d) Duly completed form of proxy should be deposited with the Company's Registered Office at Lot 6, Jalan Sungai Kayu Ara 32/39, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for the holding of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll).
- (e) 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") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (f) Only a depositor whose name appears on the Record of Depositors as at 26 May 2026 shall be entitled to attend the said meeting and to appoint a proxy or proxies to attend, speak and/or vote on his/her behalf.
- (g) Pursuant to Clause 62 of the Constitution of the Company, all resolutions set out in this Notice will be put to vote by way of poll.



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