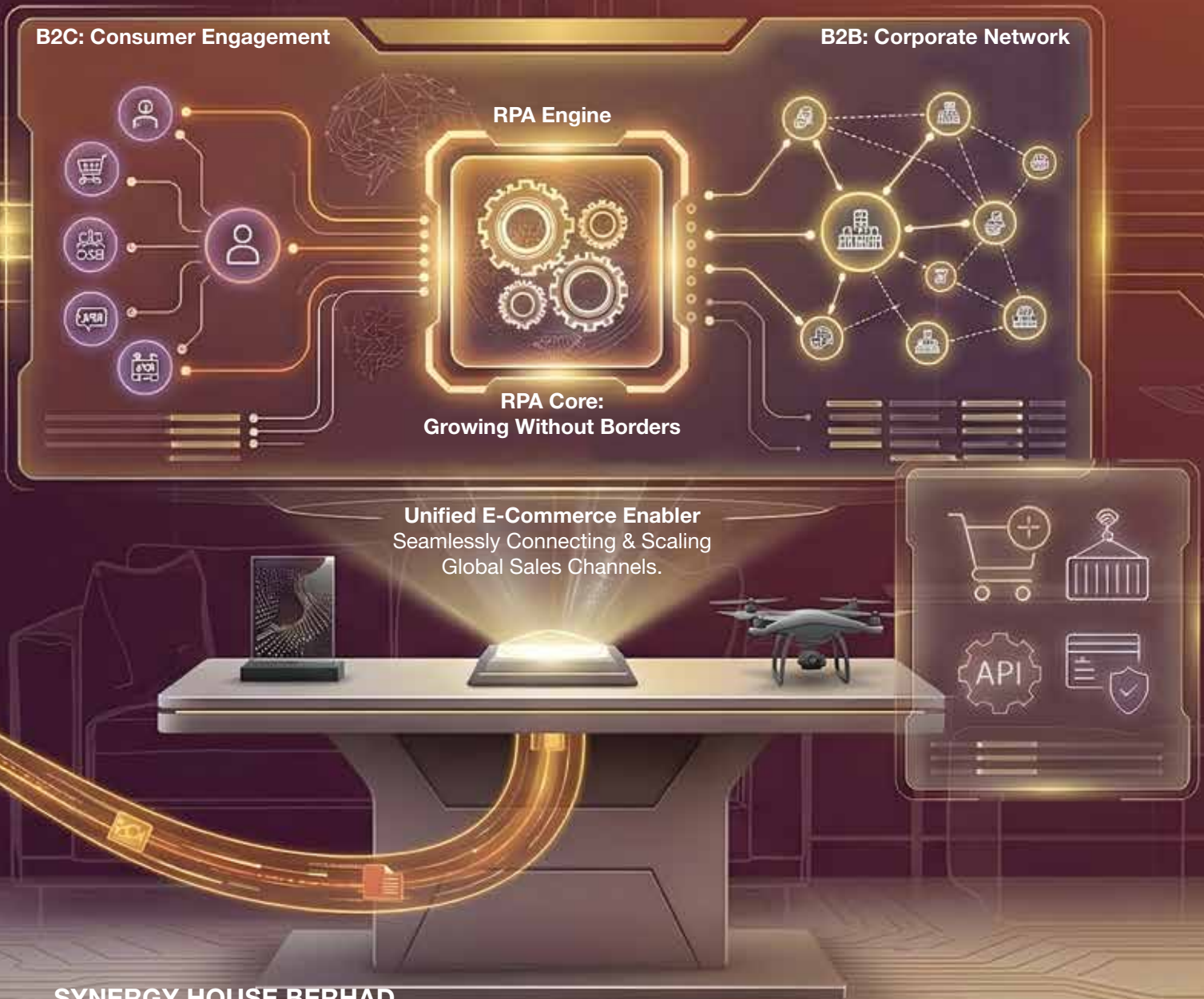


Annual Report **2025**



OUR VISION



To be the most influential home product e-commerce seller in the world.

OUR MISSION



Combining efforts of excellent team members and strategic business partners to produce stylish yet affordable home furniture for mass market.

CORE VALUES



Innovative, Strive for Excellence, Teamwork, Harmonious Working Relationship, Reliable & Trustworthy, Keep Growing and Good Health & Well Being.



DIGITAL VERSION OF ANNUAL REPORT 2025



01



Download the "QR Code Reader" on App Store or Google Play



02



Run the QR Code Reader app and point your camera to the QR Code



03



Get access to the soft copy of our Annual Report

The softcopy of the Annual Report 2025 is available on the Company's website at synergyhouseberhad.com

th

Annual General Meeting

Date Friday, 22 May 2026
Time 2:30 p.m.
Venue Boardroom, Lot 18A & 18B, Level 18 Top Glove Tower,
No. 16, Persiaran Setia Dagang,
Bandar Setia Alam, Seksyen U13,
40170 Shah Alam, Selangor, Malaysia

INSIDE THIS REPORT

Corporate
Structure

02

Corporate
Information

03

Directors
Profile

04

Key Senior
Management
Profile

08

Group
Financial
Review

10

Chairman's
Statement

11

Management
Discussion and
Analysis

13

Sustainability
Statement

19

Corporate
Governance
Overview
Statement

45

Statement
on Risk
Management
and Internal
Control

53

Audit
Committee
Report

57

Additional
Compliance
Information

59

Directors'
Responsibility

62

Reports and
Financial
Statements

63

List of
Properties

122

Analysis of
Shareholdings

123

Notice of Fourth
Annual General
Meeting

125

Administrative
Guide

128

Proxy
Form

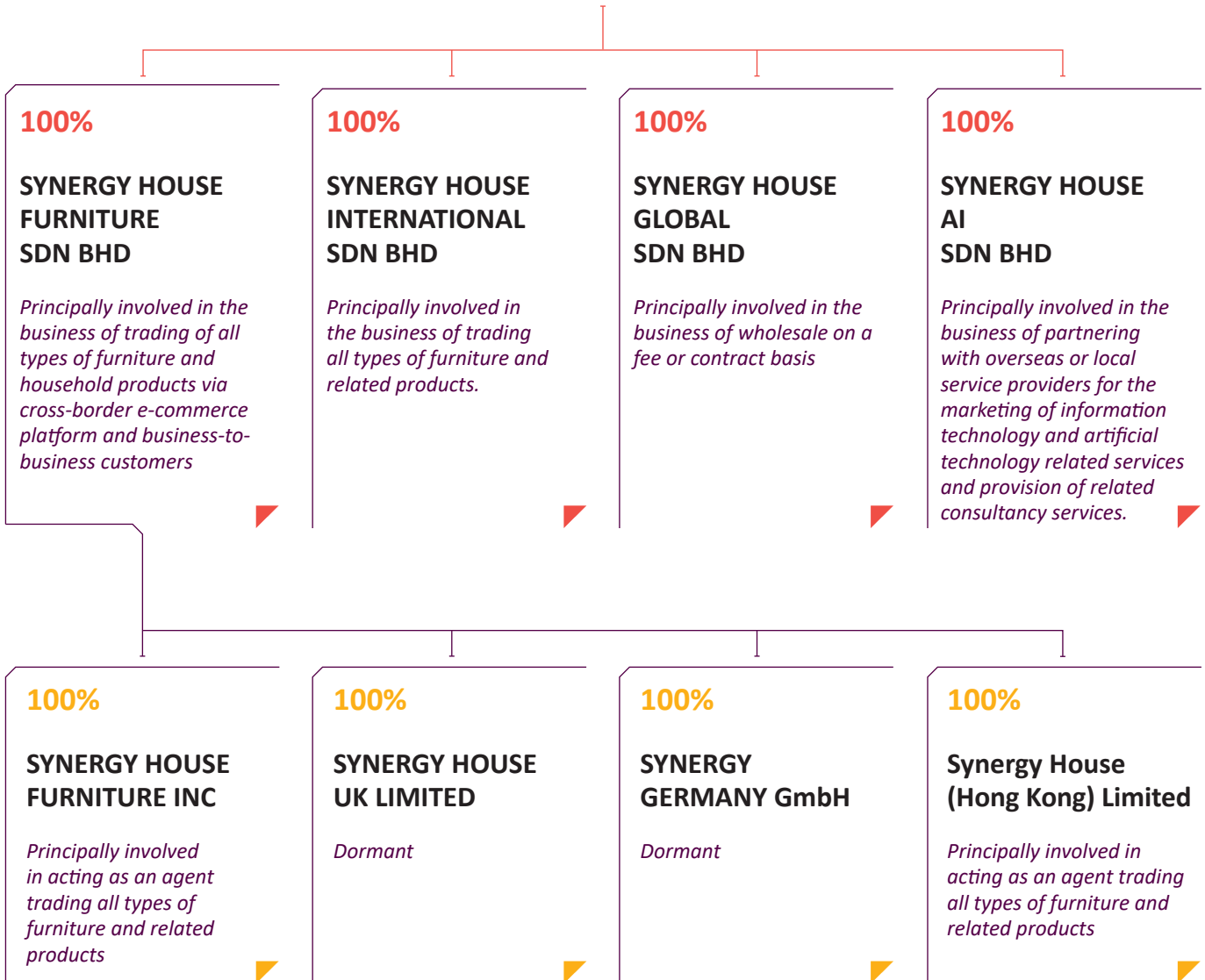
CORPORATE STRUCTURE



SYNERGY HOUSE

Synergy House Berhad

Reg No.: 202101025778 (1426078-V)



CORPORATE INFORMATION



BOARD OF DIRECTORS

MOK JUAN CHEK
Independent Non-Executive Chairman

TAN EU TAH
Executive Director

TEH YEE LUEN
Executive Director

YEW YONG LING
Independent Non-Executive Director

LIEU PEI YEE
Independent Non-Executive Director

YONG KIM FUI
Independent Non-Executive Director

AUDIT COMMITTEE

Chairman
Yong Kim Fui
Independent Non-Executive Director

Member
Yew Yong Ling
Independent Non-Executive Director
Lieu Pei Yee
Independent Non-Executive Director

RISK MANAGEMENT COMMITTEE

Chairman
Yong Kim Fui
Independent Non-Executive Director

Member
Yew Yong Ling
Independent Non-Executive Director
Lieu Pei Yee
Independent Non-Executive Director

REMUNERATION COMMITTEE

Chairperson
Yew Yong Ling
Independent Non-Executive Director

Member
Yong Kim Fui
Independent Non-Executive Director
Lieu Pei Yee
Independent Non-Executive Director

NOMINATION COMMITTEE

Chairperson
Lieu Pei Yee
Independent Non-Executive Director

Member
Yew Yong Ling
Independent Non-Executive Director
Yong Kim Fui
Independent Non-Executive Director

COMPANY SECRETARIES

Wong Youn Kim
(MAICSA 7018778)
CCM Practicing Certificate No. 201908000410

HEAD OFFICE / PRINCIPAL PLACE OF BUSINESS

Lot 18.A & 18.B & 18.C & Lot 23.B Level 18 & 23
Top Glove Tower
No. 16, Persiaran Setia Dagang Bandar Setia Alam,
Seksyen U13 40170 Shah Alam, Selangor
Tel : (6012) 365 8165
Email : info@synergy-house.com

SPONSOR

Malacca Securities Sdn Bhd
BO1-A-13A, Level 13A, Menara 2 No.3,
Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur
Tel : (603) 2201 2100

REGISTERED OFFICE

Unit 11.07, Amcorp Tower, Amcorp Trade Centre, 18,
Persiaran Barat, 46050 Petaling Jaya, Selangor Darul Ehsan
Tel : (6017) 622 9303
Email : enquiries@spgalliance.com

AUDITORS

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
8, Jalan Pesta 1/1 Taman Tun Dr. Ismail 1
Jalan Bakri, 84000 Muar, Johor, Malaysia
Tel : (606) 9524 328
Fax : (606) 9527 328

ISSUING HOUSE AND SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32
Tower A, Vertical Business Suite Avenue 3, Bangsar South
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia
Tel : (603) 2783 9299
Email : is.enquiry@vistra.com.

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name : SYNERGY
Stock Code : 0279

WEBSITE

www.synergyhouseberhad.com

DIRECTORS' PROFILE

MOK JUAN CHEK

Independent Non-Executive Chairman

▶ Malaysian

▶ 70

▶ Male

Number of Board Meetings Attended:
5/5

Mok Juan Chek is our Independent Non-Executive Chairman. He was appointed to our Board on 3 December 2021.

He graduated with a Diploma in Agriculture from Universiti Pertanian Malaysia in May 1976.

Upon completing his diploma, he joined the Rubber Industry Smallholders Development Authority ("RISDA") as RISDA Officer where he was involved in processing grants and loans to rubber smallholders in Pahang. Subsequently, he was promoted to Senior RISDA Officer where he took on additional responsibilities such as overseeing the performance of his subordinates and managing grants and loans to rubber smallholders in Pahang. While continuing to pursue his career, he was granted full pay study leave by RISDA where he completed his Bachelor of Science in Agribusiness from Universiti Pertanian Malaysia in April 1984.

Upon completing his degree course, he left RISDA in May 1984 and joined a branch office of Public Bank Berhad in Melaka as Senior Operation Officer where he was responsible for marketing credit facilities and preparing credit proposals. Subsequently, he was transferred to the head office of Public Finance Berhad in Kuala Lumpur where he was involved in evaluating credit proposals. In January 1990, he was promoted to Senior Administrative Officer where he assumed similar responsibilities before he left Public Finance Berhad in September 1990.

In October 1990, he joined Chung Khiaw Bank (Malaysia) Bhd as Assistant Manager at its Melaka branch office where he was involved in marketing credit facilities, preparing loan proposals and executing credit administration works. In January 1992, he was promoted to Deputy Manager where he assumed additional responsibilities for managing relationships with clients who engage in loans and credit facilities with the bank's Melaka branch office. Subsequently, in January 1994, he was further promoted to Assistant Vice President where he was responsible for overseeing the overall operations of the credit marketing, processing and administration departments in the Melaka branch office. In April 1995, he left Chung Khiaw Bank (Malaysia) Bhd.

In May 1995, he joined Hong Leong Bank Berhad as Branch Manager where he was responsible for managing and overseeing the operations of a branch office in Melaka. Subsequently, he was transferred to the headquarters of Hong Leong Bank Berhad in Kuala Lumpur where he became the General Manager of the Credit Card Department where his responsibilities covered the supervision and management of the overall operations of the department. Thereafter, in June 2002, he was transferred to the southern regional office in Johor Bahru as General Manager, Business Banking where he was involved in managing the Business Banking segment of the bank for the southern and east coast regions of Malaysia.

In August 2008, he left Hong Leong Bank Berhad and joined AmBank (M) Berhad in September 2008 as General Manager in the southern regional office in Johor Bahru where he was involved in managing and overseeing the Business Banking segment for the southern and east coast regions of Malaysia. In April 2016, he was transferred to the headquarters of AmBank (M) Berhad in Kuala Lumpur and was promoted to Senior Vice President and Head of Mid-Corporates to oversee and spearhead the wholesale banking operations for the Mid-Corporate segment. In April 2019, he was promoted to Executive Vice President and Head of Mid-Corporates where he assumed similar responsibilities. In May 2020, he retired from his position in AmBank (M) Berhad.

In September 2020, he joined Affin Hwang Asset Management Berhad as a Strategic Adviser on a contract basis, a position which he held until 31 December 2022. On 10 February 2022, he was appointed as Independent and Non-Executive Chairman of Ateria Group Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), which he subsequently resigned on 20 April 2026. On 27 May 2022, he was appointed as Independent and Non-Executive Director of ITMAX System Berhad, a company listed on the Main Market of Bursa Securities, a position which he assumes till present. On 1 April 2024, he was appointed as Independent and Non-Executive Director of Tiong Nam Logistics Holdings Berhad, a company listed on the Main Market of Bursa Securities, a position which he assumes till present.

Directors' Profile (Cont'd)

TAN EU TAH

Executive Director

▶ Malaysian ▶ 51 ▶ Male

Number of Board Meetings Attended: **5/5**

Tan Eu Tah is our Executive Director. He is responsible for determining the overall strategic direction and management of our Group by spearheading several business functions namely design and development, operations, purchasing, procurement, quality control, warehouse management, IT and internal control. He was appointed to our Board on 3 August 2021.

He graduated with a Bachelor of Science in Business Administration from the University of Nebraska-Lincoln, USA in August 1997.

In September 1997, as the successor to his father, Tan Kau Tiah @ Tan Ching Hai, who was one of the founders of our Group, joined our Group via Malgames Industries Sdn Bhd (now known as Synergy House Furniture Sdn Bhd) as General Manager where he mainly assisted his father in determining our Group's business direction and implementing our Group's business strategies. Over the years, he gradually took on additional responsibilities where he was involved in managing our Group's overall business operations and activities such as building and maintaining relationships with customers and suppliers as well as developing marketing plans to expand our Group's furniture export market. Further, together with Teh Yee Luen, they expanded our Group's business into the design, development and manufacturing of ready-to-assemble ("RTA") home furniture using wood panel products.

In view of the growing sales of our RTA home furniture and with the intention to scale up our Group's business, in 2004, he and Teh Yee Luen, embarked on an initiative to transform our Group's business model from home furniture manufacturing to solely focus on the design, development and sale of home furniture.

In January 2006, he and Teh Yee Luen, acquired the entire equity stake in Synergy House Furniture Sdn Bhd from former shareholders who are family members and relatives. At the same time, he was appointed as a Director of our Group and assumed his current responsibilities. Over the years, he has consistently propelled our Group's business expansion and revenue growth. This has been achieved through diversifying our range of furniture offerings and refining our operations with the implementation of strict quality control procedures to ensure the highest product standards. Additionally, he has fostered strong relationships with our suppliers to maintain a seamless supply chain. In August 2021, he was re-designated to an Executive Director of our Group.

TEH YEE LUEN

Executive Director

▶ Malaysian ▶ 51 ▶ Male

Number of Board Meetings Attended: **5/5**

Teh Yee Luen is our Executive Director. He is responsible for determining the overall strategic direction and management of our Group by spearheading several business functions namely sales, marketing, human resources, and finance. He was appointed to our Board on 3 August 2021.

He graduated with a Bachelor of Science in Business Administration from the University of Nebraska-Lincoln, USA in December 1997.

Upon graduation, he began his career in 1998 as Business Development Manager in Yong Leong Sports Sdn Bhd where he was involved in identifying new markets for the sale of sports equipment, developing sales and marketing strategies and developing new products for the East Malaysian market to improve the company's sales performance. In 1999, he left Yong Leong Sports Sdn Bhd and joined our Group via Malgames Industries Sdn Bhd (now known as Synergy House Furniture Sdn Bhd) as Marketing Manager. He was responsible for managing our Group's marketing initiatives, as well as exploring business opportunities to expand our Group's furniture export market.

Further, together with Tan Eu Tah, they expanded our Group's business into the design, development and manufacturing of RTA home furniture using wood panel products.

In view of the growing sales of our RTA home furniture and with the intention to scale up our business, in 2004, he worked together with Tan Eu Tah to transform our Group's business model from home furniture manufacturing to solely focus on the design, development and sale of home furniture.

In January 2006, he and Tan Eu Tah, acquired the entire equity stake in Synergy House Furniture Sdn Bhd from former shareholders who are family members and relatives. At the same time, he was appointed as a Director of our Group and assumed his current responsibilities. Over the years, he has continued to drive our business expansion and revenue growth by expanding and growing our customer base for our export markets and maintaining our relationship with customers. In August 2021, he was re-designated to an Executive Director of our Group.

Directors' Profile (Cont'd)

YEW YONG LING

Independent Non-Executive Director

▶ Malaysian ▶ 55 ▶ Female

Number of Board Meetings Attended: **5/5**

Yew Yong Ling is our Independent Non-Executive Director. She was appointed to our Board on 3 December 2021.

She graduated with a Bachelor of Laws from University of London, United Kingdom in August 1998.

Upon graduation, she began her career as Legal Officer in Shuang Hor Enterprise (M) Sdn Bhd in 1998 where she was involved in handling the company's legal matters including legal aspects of the company's expansion into other Asian countries and registration of trademarks and healthcare products with the relevant authorities.

In 2003, she left Shuang Hor Enterprise (M) Sdn Bhd and joined Ferida Hassan Low & Ng as a Chambering Student where she underwent her pupillage. Upon completion of her pupillage, she was called to the Malaysian bar in April 2004.

In 2004, she left Ferida Hassan Low & Ng and joined Pathology & Clinical Laboratory (M) Sdn Bhd as Legal Manager where she was responsible for handling the group's legal matters, researching on relevant acts and liaised with the relevant authorities and counsels for the group's overseas business expansion. She was also involved in managing outlet tenancies and matters related to property investment.

In 2006, she left Pathology & Clinical Laboratory (M) Sdn Bhd and founded a law firm named Yew & Partners. She is the founder, partner and practicing lawyer of Yew & Partners and to date, she has accumulated about 20 years of experience in conveyancing, specialising in real estate transactions, loan documentation and commercial agreements.

LIEU PEI YEE

Independent Non-Executive Director

▶ Malaysian ▶ 36 ▶ Female

Number of Board Meetings Attended: **5/5**

Lieu Pei Yee is our Independent Non-Executive Director. She was appointed to our Board on 3 December 2021.

She graduated with a Diploma in Accounting from SEGi University College, Malaysia in July 2010. Further, she continued her studies and obtained a Bachelor of Science (Hons) in Applied Accounting from Oxford Brookes University, UK in association with the Association of Chartered Certified Accountants ("ACCA") in September 2013. She has been a member of the ACCA since January 2018.

While completing her last paper for the ACCA examination, she began her career as an Audit Associate in Crowe Horwath in October 2014 where she was involved in handling and executing audit works. She was promoted to Senior Audit Associate in October 2015. In December 2015, she left Crowe Horwath.

In January 2016, she joined Ernst & Young as Audit Assistant where she was involved in handling and executing audit works. She was subsequently promoted to Audit Senior in October 2016 and thereafter promoted to Audit Supervisor in October 2018, where her responsibilities expanded to managing and leading more complex and sizeable audit engagements. Further, in October 2019, she was promoted to Audit Manager where she was responsible for managing audit engagement quality, overseeing team performance, managing client relationships and operational efficiency as well as prospecting and securing business opportunities. She has accumulated audit experience covering various industries such as e-commerce, technology services, manufacturing, trading as well as property development and investment.

In August 2021, she left Ernst & Young and joined Crown Worldwide Shared Services Sdn Bhd as Group Consolidation Manager, a position she holds to-date where she is primarily responsible for consolidating and analysing the financial statements of the group and its related companies from different geographical regions. She is also involved in the forecasting analysis and reviewing of the Group's restructuring and business acquisition and disposal exercises.



Directors' Profile (Cont'd)

YONG KIM FUI

Independent Non-Executive Director

▶ Malaysian ▶ 54 ▶ Male

Number of Board Meetings Attended: **5/5**

Yong Kim Fui is our Independent Non-Executive Director. He was appointed to our Board on 9 May 2022.

He graduated with a Bachelor of Commerce from University of Southern Queensland, Australia in September 1996. He obtained his Certified Practising Accountant ("CPA") status from the Australian Society of Certified Practising Accountants (now known as CPA Australia) in March 2000 and has been a Chartered Accountant of the Malaysian Institute of Accountants ("MIA") since June 2001.

He began his career with Coopers & Lybrand (now known as PricewaterhouseCoopers) as an auditor in January 1995. He specialized in the finance and manufacturing sectors, where he actively engaged in corporate restructuring, reviewed financial statements, conducted projections for bonds and other debt instruments, facilitated initial public offerings, and conducted investigations. In August 2000, he left PricewaterhouseCoopers.

In September 2000, he co-founded KYL Consulting Sdn Bhd and assumed the roles of Principal and Director, overseeing the provision of comprehensive accounting, taxation and advisory services. Within this capacity, he was involved in tax investigations, conducted thorough reviews of profit and cash flow forecasts, facilitated projections for corporate restructuring and conducted detailed examinations of financial statements for debt facilities and bonds. Additionally, he played a key role in securing refunds for sales taxes.

In December 2016, he left KYL Consulting Sdn Bhd and joined Securemetric Technology Sdn Bhd (now a subsidiary of Securemetric Berhad) in January 2017 as Chief Financial Officer. Subsequently, with the listing of Securemetric Berhad, he became the Group's Chief Financial Officer which he assumes until present. He is responsible for planning, implementation, managing and controlling the financial and related activities of the group.

On 2 February 2018, he was appointed as Non-Independent Executive Director of Securemetric Berhad, a company listed on the ACE Market, a position which he assumes till present.

Other Information

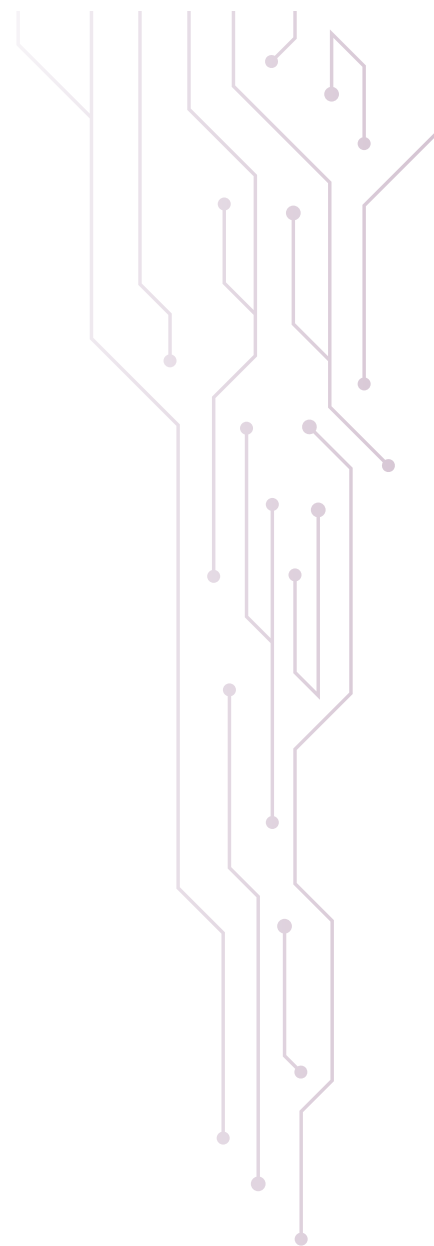
- i. Family relationship

None of the Directors has any family relationship with any other Director and/ or major shareholder of the Company, except for Mr. Tan Eu Tah who is the cousin to Mr. Teh Yee Luen, our Executive Director.
- ii. Conflict of interest

None of the Directors have any conflict of interest or potential conflict of interests, including interest in any competing businesses with the Group.
- iii. Convictions for offences

None of the Directors have been convicted for offences within the past five (5) years other than for traffic offences, if any.
- iv. Interest in the Company

The Directors' interest in the Company is as disclosed in page 123, Analysis of Shareholdings.



KEY SENIOR MANAGEMENT PROFILE

KENNETH NG

Chief Financial Officer

▶ Malaysian ▶ 38 ▶ Male

Kenneth Ng is our Chief Financial Officer. He is responsible for managing and overseeing the accounting and finance function of our Group including financial reporting, audit, tax and banking, internal control, legal and corporate affairs related matters. He passed his examinations in December 2009 and graduated with a Bachelor of Business and Commerce specialising in Accounting and Banking and Finance from Monash University, Malaysia in March 2010. He has been a Chartered Accountant of MIA since April 2018 and was duly admitted to full membership of CPA Australia and is entitled to use the designation of CPA in July 2013. After passing his examinations, he began his career at KPMG PLT in January 2010 as an Audit Associate where he was tasked with assisting seniors in audit works for the manufacturing and trading sectors. Subsequently, in January 2012, he was promoted to Audit Senior Associate where he was involved in leading, handling and executing audit assignments. In January 2013, he was further promoted to Assistant Manager where his responsibilities expanded to managing and leading more complex and sizeable audit engagements as well as conducting internal training programs. Later, in January 2015, he was promoted to Manager where he was responsible for handling audit portfolios, managing clients, managing the billing and collection of audit fees, recruiting team members as well as participating in inter-departmental training programs.

In July 2015, he left KPMG PLT and joined PKT Logistics Group Sdn Bhd as a Senior Finance Manager, Corporate Finance. He was in-

charge of managing PKT Logistics Group Sdn Bhd and its related companies' borrowings related matters including liaising with bankers, monitoring loan covenants and repayments as well as reviewing cash flow projections. He was also involved in handling special projects, including joint venture and private placement exercises, as well as assisting and supporting operations of the Accounts & Finance department. Subsequently, in April 2017, he was promoted to Deputy General Manager, Corporate Finance where he assumed similar responsibilities.

In August 2017, he left PKT Logistics Group Sdn Bhd and joined Ban Seng Lee Industries Sdn Bhd (a subsidiary of BSL Corporation Berhad) in September 2017 as Group Accounts Manager, where he was involved in overseeing and managing the overall BSL Corporation Berhad's accounts and banking related matters. He was also responsible for managing corporate finance related matters and ensuring the group's compliance with corporate governance practices and disclosure requirements issued by the Securities Commission Malaysia ("SC") and Bursa Securities. Subsequently, in September 2021, he was promoted to Group Senior Finance Manager where he was involved in managing and liaising with the Group's Executive Directors and handling more corporate finance related matters.

In December 2021, he left Ban Seng Lee Industries Sdn Bhd and subsequently joined our Group in January 2022 as Group Accountant. He was promoted to Chief Financial Officer on 16 October 2023. He has no family relationship with the substantial shareholders, Directors and other Key Senior Management of our Group. He does not hold any directorship in other public companies. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries. He has no convictions for any offences within the past five (5) years other than for traffic offences, if any.

TAN YEE CHI

Chief Marketing Officer

▶ Malaysian ▶ 48 ▶ Female

Tan Yee Chi is our Chief Marketing Officer. She is responsible for managing and overseeing the sales and marketing department of our Group, including the development of sales and marketing strategies to improve our Group's sales. She completed her degree in December 2001 and subsequently obtained a Bachelor of Arts (Hons) in Business Information Technology from INTI International University, Malaysia in collaboration with Coventry University, United Kingdom in November 2002.

In March 2003, she joined our Group via Malgames Industries Sdn Bhd (now known as Synergy House Furniture Sdn Bhd) as Marketing Executive where she was involved in handling customers' orders as well as performing monthly follow ups.

In 2008, she was promoted to Marketing Manager where she was responsible for leading and supervising our sales and marketing team in generating sales and maintaining relationships with customers, as well as assessing the market potential of new and existing sales opportunities to increase our Group's sales. In 2015, she was promoted to Marketing Director, with oversight of the Europe and local markets. In 2025 she assumed her current expanded role, with broader responsibilities across the Group's sales and marketing functions. She is the sister of Mr Tan Eu Tah and cousin of Mr Teh Yee Luen. She does not hold any directorship in other public companies. She does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries. She has no convictions for any offences within the past five (5) years other than for traffic offences, if any.

Key Senior Management Profile (Cont'd)

RICHIE TAN

Chief Operating Officer

▶ Malaysian ▶ 35 ▶ Male

Richie Tan was appointed as the Chief Operating Officer (“COO”) of our Group on 1 April 2024. He holds a Bachelor’s Degree in Mechatronics Engineering from the University of New South Wales (“UNSW”), Sydney, Australia. He obtained his first professional license as a Mechanical Engineer from The Institution of Engineers Australia, where he has been a member since June 2013.

After graduating from his undergraduate study, he began his career as a Design Engineer at Coopers Gap Wind Farm Pty Ltd, where he was responsible for research, design, and structural improvements of wind turbines. His role required advanced expertise in programmable logic controllers (“PLC”) and computational fluid dynamics (“CFD”).

In February 2014, he returned to Malaysia and joined Karex Berhad as a Deputy Project Manager, overseeing building and infrastructure expansion as well as machine design. In January 2015, he was promoted to Operations Manager, where he managed and supervised various functions, including purchasing, production, quality control, warehouse, logistics, and research & development. He also played a pivotal role in international marketing, engaging with industry leaders and customers. His contributions were instrumental in launching the company’s in-house branded condom, achieving significant market success in subsequent years.

In January 2018, he left Karex Berhad and joined Coca-Cola Beverages Singapore Pte Ltd as a Senior Operation Manager, where he led operational functions and acted as the liaison between the company and its headquarters. He also contributed to the sales and marketing strategy for South America, driving market penetration efforts.

In January 2021, he transitioned to Guan Chong Berhad as a Senior Operations Manager, managing day-to-day operations across multiple international entities, including those in the UK, Germany, and West Africa. He was a pioneer in introducing Circular Economy (“CE”) principles, successfully minimizing waste through biomass technology, converting waste into energy.

In December 2023, he left Guan Chong Berhad and subsequently joined our Group in December 2023 as Operational Excellence Manager. He was promoted to Chief Operating Officer on 1 April 2024. He is the key person of the operation functions of our Group including Design & Development, Purchasing, Product Development, Sample Manufacturing, Quality Assurance, Quality Control, Compliance, Operation, Shipping, Inventory Financial, Warehouse, Operational Excellence, Customer Services and Information Technology.

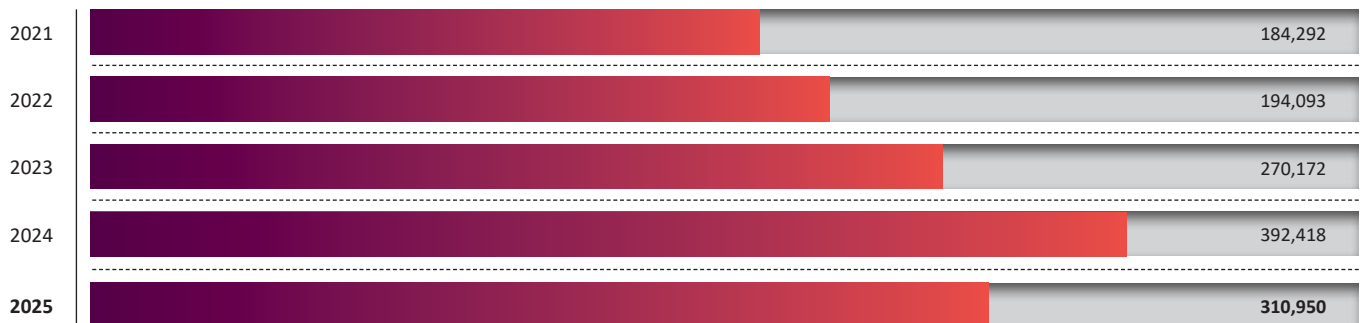
He has over 10 years of experience in FMCG industry who overlooked the operational functions of the subsidiary plants. He has actively contributed to the development and promotion of CE and Corporate Social Responsibility (“CSR”) in the organisation. He has no family relationship with the substantial shareholders, Directors and other Key Senior Management of our Group. He does not hold any directorship in other public companies. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries. He has no convictions for any offences within the past five (5) years other than for traffic offences, if any.



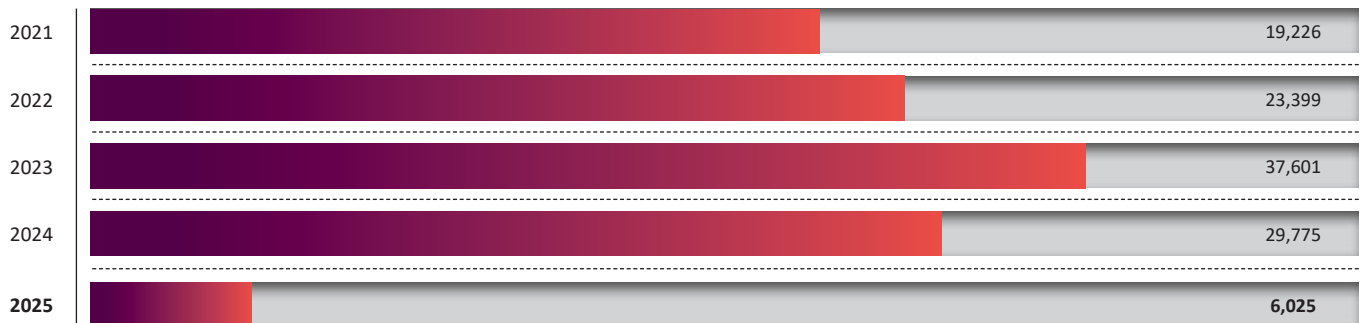
GROUP FINANCIAL REVIEW

Group	2021	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	184,292	194,093	270,172	392,418	310,950
Profit Before Tax	19,226	23,399	37,601	29,775	6,025
Profit After Tax attributable to: - Owners of the Company	14,387	16,624	27,148	27,838	4,317

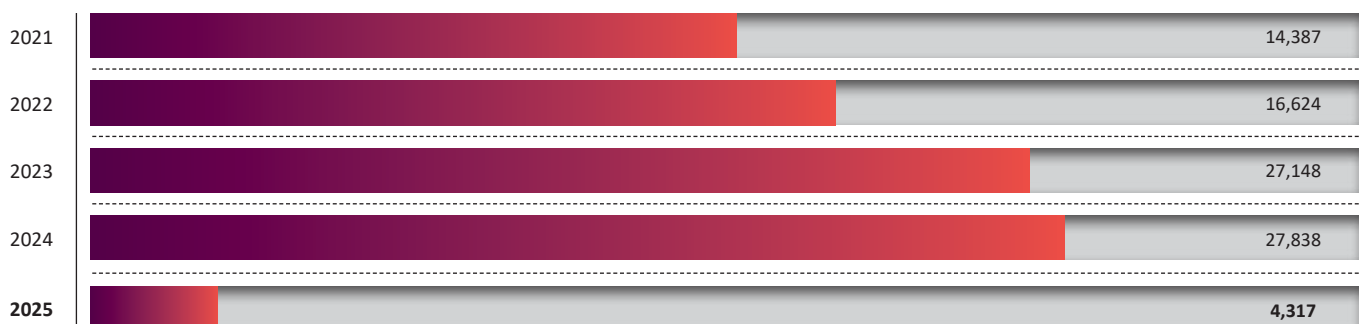
Revenue (RM'000)



Profit Before Tax (RM'000)



Profit After Tax attributable to: Owners of the Company (RM'000)



CHAIRMAN'S STATEMENT

Dear Esteemed Shareholders, ▲



On behalf of the Board of Directors, I am pleased to present the Annual Report for Synergy House Berhad for the financial year ended 31 December 2025. The year under review presented a more challenging operating environment compared with the strong growth experienced in the previous year. Global economic uncertainties, evolving trade policies, the imposition of tariffs and foreign exchange volatility continued to shape market sentiment and consumer demand across our key markets. Despite these headwinds, the Group remained resilient and focused on strengthening its operational capabilities while reinforcing the foundations for long-term sustainable growth.

2025 Overview

The global furniture industry continued to evolve in 2025 amid shifting consumer behaviour, ongoing digital transformation and heightened macroeconomic uncertainty. Trade policies and tariffs affecting imports into the United States created additional cost pressures and uncertainties across the global furniture supply chain.

As the United States ("USA") remains a key market for the Group, these developments had a noticeable impact on industry sentiment and order patterns. Many importers and retailers adopted a more cautious purchasing strategy, adjusting inventory levels and sourcing strategies in response to changing trade dynamics.

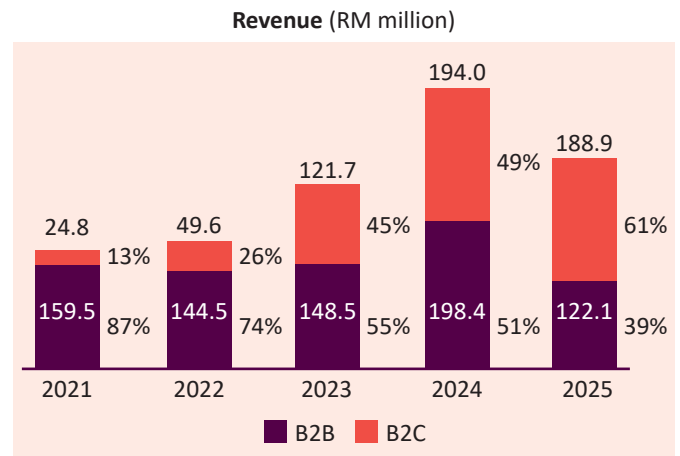
Despite these challenges, the Group remained responsive and worked closely with our customers, suppliers and logistics partners to manage the evolving operating environment. Our ability to adapt to market developments and maintain strong relationships with platform partners and customers enabled us to sustain our presence across key international markets.

For the financial year ended 31 December 2025, the Group recorded revenue of RM311.0 million compared with RM392.4 million in the preceding financial year. The decline in revenue was primarily attributable to softer demand across both our Business-to-Business ("B2B") and Business-to-Consumer ("B2C") segments amid global economic uncertainties and the impact of tariffs affecting export markets.



Financial and Operational Performance

The B2C segment continues to contribute a significant portion of the Group's total revenue as shown below:



The B2C segment continued to demonstrate resilience and remained a key pillar of the Group's business strategy. For FY2025, the B2C segment generated revenue of RM188.9 million, reflecting a marginal decrease of 2.6% year-on-year. We largely operate in the Wayfair platform for our B2C segment and the overall performance in Wayfair USA and Wayfair UK has improved year-on-year.

Meanwhile, the B2B segment recorded revenue of RM122.1 million, representing a decrease of 38.5% compared with the previous year, as market demand softened and order patterns adjusted in response to global economic conditions and trade developments.

Profitability during the year was impacted by several factors, including market uncertainties, lower revenue volumes, foreign exchange losses arising from the strengthening of the Malaysian Ringgit against the United States Dollar, higher cost base due to the tariffs, time lag to pass on the higher costs to consumers, as well as higher operating expenses related to manpower and strategic investments in technology.

Despite these short-term pressures, the Group continued to invest in strengthening its operational capabilities and digital infrastructure. Enhancements to the Group's Enterprise Resource Planning ("ERP") system, implementation of Robotics Process Automation ("RPA"), and adoption of artificial intelligence ("AI") tools were undertaken during the year to improve operational efficiency, strengthen data analytics capabilities, and support the scalability of the Group's operations.

Chairman's Statement (Cont'd)

Strategic Initiatives and Growth Plans

Looking ahead, Synergy House Berhad remains committed to its long-term growth strategies despite the challenging operating environment.

Expansion of B2C Segment: ▲

The Group will continue strengthening its e-commerce presence by expanding product offerings, increasing SKU availability, and enhancing our position on existing digital platforms. We will also continue the penetration to higher value item segment in the platforms as well.

Leveraging Technology and AI: ▲

The Group continues to invest in technology to support operational efficiency and data-driven decision-making. During the year, Synergy House AI Sdn. Bhd. was incorporated to support initiatives involving artificial intelligence and technology-driven services aimed at enhancing marketing intelligence, operational automation and business scalability.

Sustainable Growth & ESG Initiatives: ▲

The Group continues to integrate sustainability considerations into its business operations through resource optimisation and the development of environmentally responsible product offerings.

Strengthening financial discipline & Driving operational efficiency: ▲

The Group will intensify its effort to increase profitability through various activities such as cost rationalisation, tighten SKU profitability monitoring and other process improvement initiatives.

Prospects

Looking ahead, the operating landscape globally across various industries is expected to remain challenging in the near term due to changing trade policies, political tensions as well as cautious market spending. Macroeconomic uncertainties, cautious consumer spending and evolving global trade policies are expected to continue influencing demand patterns across international markets.

Tariffs and shifting trade dynamics remain key factors affecting global furniture trade, particularly in the USA market, which represents a significant export destination for the industry. While these developments may create volatility in the short term, the Group remains focused on strengthening its operational fundamentals and maintaining flexibility in its business model. The Group will continue its effort to grow the non-USA markets, namely in UK and Canada to manage its geographical risk.

Moving forward, the Group will continue to emphasise operational efficiency, disciplined cost management and digital transformation to enhance productivity and scalability. We will also continue to strengthen our product offerings and optimise our SKU portfolio to better align with evolving consumer preferences in key markets.

At the same time, the Group will continue deepening its engagement with platform partners and exploring opportunities to expand our presence across additional digital marketplaces. Investments in technology, including artificial intelligence and automation tools, will also support improved decision-making and operational efficiency.

While the operating environment may remain challenging in the near term, we remain confident in the Group's long-term prospects. Our established international presence, strong relationships with platform partners and continued investment in technology position the Group well to capture opportunities when market conditions improve.

Appreciation and Acknowledgment

On behalf of the Board, I would like to extend our sincere appreciation to the management team and employees for their dedication, resilience and commitment throughout the year.

We would also like to express our gratitude to our valued customers, suppliers, business partners, bankers and regulatory authorities for their continued trust and support.

Finally, to our shareholders, we thank you for your confidence in Synergy House Berhad and for your continued support of the Group.

Warm regards,

Mok Juan Chek

Independent Non-Executive Chairman
Synergy House Berhad
31 December 2025



MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

BRINGING COMFORT ACROSS BORDERS: STRENGTHENING OUR GLOBAL FURNITURE E-COMMERCE PRESENCE

Synergy House Berhad is a cross-border e-commerce seller and furniture exporter specialising in well-designed and affordable Ready-to-Assemble (“RTA”) home furniture. RTA furniture is manufactured in flat-packed form to optimise storage, logistics and transportation efficiency, while allowing customers to conveniently assemble the products upon purchase.



The Group operates through four complementary business models — business-to-business (“B2B”), business-to-consumer (“B2C”), cross-border e-commerce enablement services and technology-driven automation solutions. Together, these business pillars support the Group’s long-term strategy of expanding its global e-commerce presence while strengthening operational scalability.

Under the B2B model, the Group supplies RTA furniture to online retailers, chain-store retailers and wholesalers, where products may be marketed under third-party brand names. Under the B2C model, the Group sells directly to end consumers through its in-house online stores and third-party e-commerce platforms such as Wayfair across various international markets. These products may carry the Group’s in-house brands or selected third-party brand names.

Through its B2C operations, Synergy House currently serves international markets including the United States of America (“USA”), the United Kingdom (“UK”), and Canada, in addition to local consumers in Malaysia. This global footprint reflects the Group’s strategic focus on cross-border e-commerce and its commitment to delivering quality RTA home furniture to customers worldwide.

In addition to its direct furniture sales activities, the Group also provides cross-border e-commerce enablement services that assist furniture manufacturers and suppliers in accessing global online marketplaces. Leveraging its capabilities and established marketplace relationships, the Group supports product onboarding, marketplace operations, inventory planning and international fulfilment to enable efficient cross-border distribution.

Complementing its core furniture and e-commerce operations, the Group has also expanded into technology-driven solutions through the development and commercialisation of automation and digital workflow tools. These solutions include robotic process automation (“RPA”), workflow optimisation systems and selected artificial intelligence (“AI”) enabled applications designed to streamline operational processes across areas such as order processing, data management, financial reporting and platform management.

Through this business segment, the Group provides automation and AI-enabled solutions to corporate clients in Malaysia, supporting organisations in improving operational efficiency, reducing manual processes and enhancing data management capabilities. This initiative leverages the Group’s internal experience in managing large-scale e-commerce operations and transforms these capabilities into scalable technology solutions for the broader market.



As the global furniture retail landscape continues to evolve alongside the rapid expansion of e-commerce, the Group remains focused on strengthening its B2C platform presence, expanding its product portfolio and improving its speed-to-market capabilities. The Group continues to broaden its product listings while selectively introducing new product categories such as bathroom furniture, kids’ furniture and selected higher price-point offerings to address a wider customer segment.

At the same time, Synergy House continues to invest in digital transformation to support its long-term growth strategy. Enhancements to the Group’s enterprise resource planning (“ERP”) systems, alongside the implementation of AI and RPA, are progressively improving operational efficiency, enabling more data-driven decision making and strengthening the Group’s operational scalability.

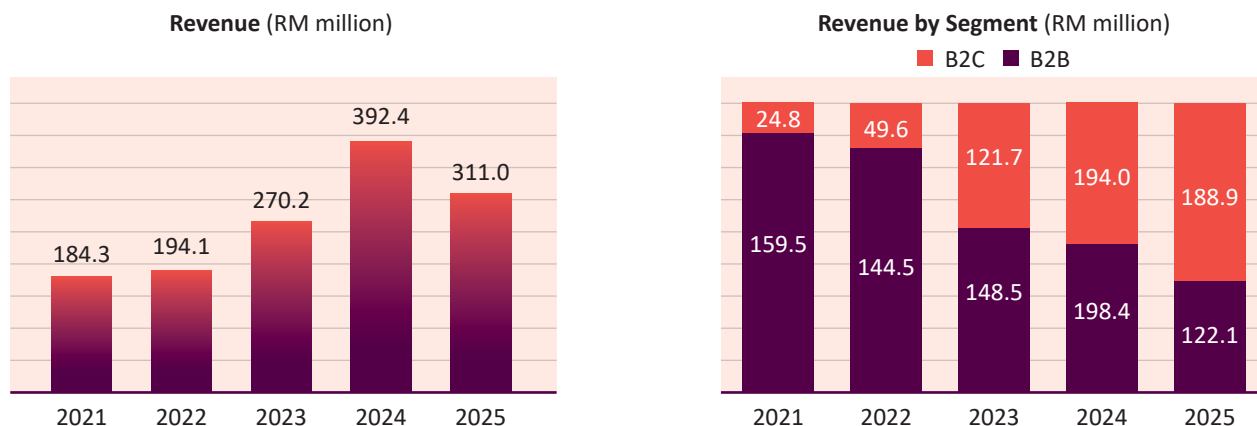
The integration of technology, market intelligence tools and consumer insights also allows the Group to better anticipate emerging trends in the home furniture market and respond more effectively to evolving consumer preferences across the global e-commerce landscape.

Management Discussion & Analysis Statement (Cont'd)

REVIEW OF FINANCIAL PERFORMANCE

Following the strong growth recorded in the financial year ended 31 December 2024 (“FY2024”), the Group encountered a more challenging operating environment in the financial year ended 31 December 2025 (“FY2025”). Global macroeconomic uncertainties, evolving trade policies affecting furniture imports into the United States, and fluctuations in foreign exchange rates contributed to softer demand across several of the Group’s key export markets.

For FY2025, the Group recorded revenue of RM311.0 million, compared with RM392.4 million in FY2024, representing a decrease of RM81.4 million or 20.7%. The decline was primarily attributable to lower order volumes across both the B2B and B2C segments as customers adopted a more cautious purchasing approach amid changing trade dynamics and economic moderation.



The B2B segment recorded revenue of RM122.1 million in FY2025 compared with RM198.4 million in FY2024, representing a decrease of 38.5%. This reduction was mainly driven by lower order volumes from international buyers who adjusted their procurement strategies in response to tariff developments and market uncertainties.

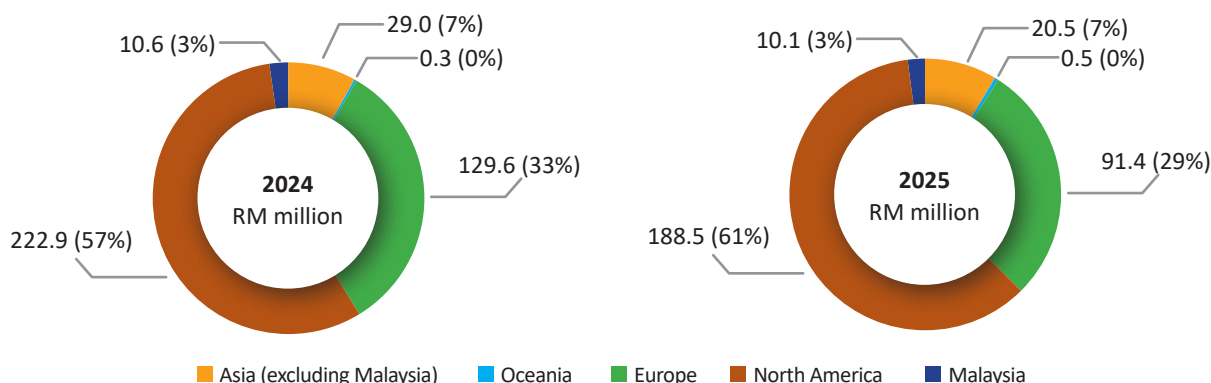
The B2C segment recorded revenue of RM188.9 million, compared with RM194.0 million in FY2024, representing a marginal decline of 2.6%. Despite softer consumer demand in certain markets, the B2C segment demonstrated relative resilience, supported by continued online furniture demand and improvements in product mix across selected platforms.

During the year, sales performance on Wayfair’s United States platform moderated in line with softer consumer spending, while the Group recorded encouraging growth on Wayfair’s United Kingdom platform. In response, the Group placed greater strategic focus on optimising its presence on Wayfair while rationalising efforts across certain smaller platforms to enhance operational efficiency.

Wayfair remains a strategically important platform for the Group due to its strong positioning as a leading online marketplace dedicated to home furniture and furnishings. Its extensive customer reach and specialised home category ecosystem provide an effective channel for the Group to scale its RTA furniture offerings across international markets.

Compared with other multi-category platforms, Wayfair’s category-focused marketplace structure, merchandising ecosystem and customer base are more closely aligned with the Group’s furniture product offerings. This alignment enables the Group to better showcase its products, enhance product visibility and optimise sales performance, while improving operational efficiency across its B2C operations.

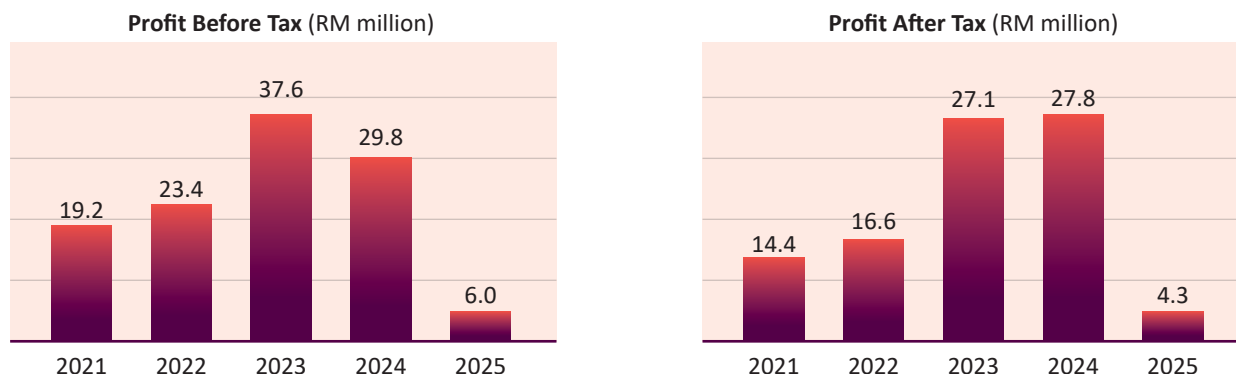
Revenue breakdown by geographical region, for FY2024 and FY2025



Geographically, the United States and the United Kingdom remained the Group’s largest revenue contributors. However, demand in these markets moderated during the year due to softer consumer spending, pricing pressures and adjustments by retailers and e-commerce platforms in response to evolving tariff structures.

Management Discussion & Analysis Statement (Cont'd)

REVIEW OF FINANCIAL PERFORMANCE (CONT'D)



Profit before tax (“PBT”) for FY2025 stood at RM6.0 million, compared with RM29.8 million recorded in FY2024, while profit after tax (“PAT”) amounted to RM4.3 million, compared with RM27.8 million in the previous year.

The lower profitability recorded during the year was mainly attributable to several factors. Sales volumes declined across both the B2B and B2C segments amid softer global demand, while the appreciation of the Malaysian Ringgit (“RM”) against the United States Dollar (“USD”) reduced the translated value of export revenues. In addition, the Group recorded foreign exchange losses during the year arising from the strengthening of the RM against the USD.

Operating expenses were also higher during the financial year, primarily due to continued investments in information technology infrastructure, including enhancements to the Group’s ERP systems as well as the implementation of AI and RPA initiatives.

During the year, the Group also initiated cost rationalisation measures aimed at improving operational efficiency. This included optimising workforce deployment, with headcount stabilising and gradually trending lower as automation initiatives improved productivity, as well as rationalising office space to reduce rental costs arising from underutilised premises. These measures are expected to strengthen cost discipline and support the Group’s long-term operational efficiency.

While these initiatives contributed to higher operating costs in the short term, they are expected to enhance the Group’s operational efficiency, strengthen its technological capabilities and support the long-term scalability of its cross-border e-commerce business.

FINANCIAL POSITION BREAKDOWN FOR FY2025 AND FY2024

Balance sheet breakdown for FY2025 and FY2024.

Our financial position (RM million)	Audited 31.12.2025	Audited 31.12.2024	Variance	
	RM million	RM million	RM million	%
Non-current assets	70.9	66.2	4.7	7.1
Current assets	156.8	215.0	(58.2)	(27.1)
Non-current liabilities	28.5	25.5	3.0	11.8
Current liabilities	67.3	128.3	(61.0)	(47.5)
Equity attributable to owners of the Company	131.9	127.4	4.5	3.5

As at 31 December 2025, the Group recorded total assets of RM227.7 million, compared with RM281.2 million as at 31 December 2024.

Non-current assets increased to RM70.9 million from RM66.2 million, primarily attributable to additions to property, plant and equipment, right-of-use assets and the revaluation of certain properties during the financial year.

Current assets decreased to RM156.8 million from RM215.0 million, mainly due to lower inventory balances, reduced trade receivables and lower short-term investments as part of the Group’s ongoing working capital optimisation and financing strategy.

Management Discussion & Analysis Statement (Cont'd)

FINANCIAL POSITION BREAKDOWN FOR FY2025 AND FY2024 (CONT'D)

Balance sheet breakdown for FY2025 and FY2024. (cont'd)

Inventories stood at RM57.5 million as at 31 December 2025 compared with RM71.2 million in the previous year, reflecting the Group's active efforts to optimise stock levels in response to softer market demand. Trade receivables decreased to RM42.1 million from RM56.9 million, while cash and cash equivalents, including deposits with licensed banks and short-term investments, stood at approximately RM42.1 million, compared with RM75.9 million as at 31 December 2024.

Total liabilities decreased significantly to RM95.8 million from RM153.8 million in the previous year, primarily due to lower bank borrowings, reduced trade payables and improved working capital management.

Total borrowings declined to RM53.8 million as at 31 December 2025 compared with RM87.4 million as at 31 December 2024 following the repayment of bank borrowings during the year.

Equity attributable to owners of the Company increased to RM131.9 million from RM127.4 million, mainly due to profits generated during the year as well as revaluation surplus recognised on certain properties.

Overall, the Group continued to maintain a sound financial position, supported by a strengthened balance sheet and disciplined capital management.

LIQUIDITY, CAPITAL RESOURCES AND GEARING

Our cash flow from/(used in) (RM'million)	Audited 31.12.2025	Audited 31.12.2024	Variance	
	RM'million	RM'million	RM'million	%
Operating activities	9.4	27.4	18.0	(65.7)
Investing activities	(0.2)	8.9	(9.1)	(102.2)
Financing activities	(41.4)	6.2	(47.6)	(767.7)
Net changes in cash and cash equivalents	(32.2)	42.5	(74.7)	(175.8)

During FY2025, the Group maintained a disciplined approach to liquidity management while strengthening its balance sheet amid a more challenging operating environment.

Net cash generated from operating activities amounted to RM9.4 million in FY2025 compared with RM27.4 million in FY2024. The lower operating cash flow was primarily attributable to reduced profitability during the year. Nevertheless, the Group continued to generate positive operating cash flows, supported by effective working capital management and disciplined receivables collection.

During the year, the Group continued to optimise its working capital position. Trade receivables decreased to RM42.1 million from RM56.9 million, reflecting both lower sales volumes and the Group's continued emphasis on prudent credit management and timely collections.

Inventories also declined to RM57.5 million from RM71.2 million, as the Group actively adjusted inventory levels in response to softer market demand while strengthening inventory planning and stock management across its B2C fulfilment operations.

Trade payables decreased to RM23.2 million from RM45.2 million, mainly reflecting lower procurement volumes in line with reduced sales activity. Collectively, these movements demonstrate the Group's proactive management of working capital in adapting to evolving market conditions.

Net cash used in investing activities amounted to RM0.2 million in FY2025 compared with net cash generated of RM8.9 million in the FY2024. The investing outflow primarily related to capital expenditure on property, plant and equipment as the Group continued to invest selectively in operational infrastructure to support long-term efficiency.

Net cash used in financing activities amounted to RM41.4 million, compared with net cash generated of RM6.2 million in FY2024. The outflow was mainly attributable to the repayment of bank borrowings during the year, reflecting the Group's efforts to strengthen its balance sheet and adopt a more conservative capital structure amid a more uncertain global economic environment.

As a result of these movements, the Group recorded a net decrease in cash and cash equivalents of RM32.2 million during FY2025 compared with a net increase of RM42.5 million recorded in FY2024.

Despite the reduction in cash balances, the Group continued to maintain a healthy liquidity position. As at 31 December 2025, the Group held cash and bank balances of RM28.0 million, while short-term investments and deposits with licensed banks amounted to approximately RM14.1 million, bringing the Group's total liquid funds to approximately RM42.1 million.

From a capital structure perspective, the Group further strengthened its financial position during the year. Total borrowings declined to RM53.8 million compared with RM87.4 million in the previous year, reflecting the Group's proactive repayment of borrowings and prudent capital management.

The Group's gearing ratio improved to 0.4 times as at 31 December 2025 compared with 0.7 times as at 31 December 2024. The lower gearing position reflects the Group's efforts to reduce leverage and strengthen its balance sheet, while providing greater financial flexibility to support future operational and strategic initiatives.

Overall, the Group maintained a sound liquidity position and improved capital structure during FY2025. Management remains committed to maintaining prudent financial discipline, ensuring adequate liquidity to support ongoing operations while preserving financial flexibility to pursue future strategic growth opportunities.

Management Discussion & Analysis Statement (Cont'd)

BUSINESS DEVELOPMENTS

During FY2025, the Group continued to strengthen its operational foundation and technology capabilities to support long-term scalability and operational efficiency.

The Group invested in several digital transformation initiatives, including enhancements to its ERP systems, the implementation of RPA and the adoption of AI tools to improve workflow efficiency, data analytics and decision-making capabilities.

These initiatives are aimed at improving operational efficiency, strengthening data capabilities and enabling the Group to respond more effectively to evolving market dynamics within the global e-commerce furniture industry.

In addition, the Group expanded its corporate structure to support its international growth strategy. During the year, Synergy House (Hong Kong) Limited was incorporated as an indirect wholly-owned subsidiary to act as the Group's agent with the purpose to penetrate certain targeted e-commerce platforms in USA.

The Group also established Synergy House AI Sdn Bhd to support AI-related business activities and technology services.

These developments form part of the Group's broader strategy to strengthen its competitiveness in the global furniture e-commerce market while enhancing operational resilience and long-term efficiency.

INDUSTRY OUTLOOK AND PROSPECTS

Looking ahead to 2026, the Group expects the operating environment to remain competitive and policy-sensitive, while structural demand drivers for online furniture purchases continue to support long-term growth. The broader macroeconomic backdrop remains relatively resilient, with the International Monetary Fund ("IMF") projecting global growth of approximately 3.3% in 2026, although trade policy developments, geopolitical tensions and currency volatility remain key downside risks that may affect consumer confidence and purchasing behaviour across major export markets.¹

From an industry perspective, e-commerce continues to play an increasingly important role in the global furniture market. The growing adoption of digital commerce platforms, combined with improvements in online merchandising, fulfilment infrastructure and consumer purchasing confidence, is expected to support continued growth in online furniture sales.

Malaysia also continues to maintain a strong position within the global furniture export industry. Industry reports indicate that Malaysia's timber and wood-based product exports remain valued at over RM20 billion annually, with wooden furniture contributing approximately 43% of total timber exports.

Malaysian furniture continues to be well received in international markets including the United States, Middle East, Australia and ASEAN countries, reflecting the industry's strong manufacturing capabilities and export competitiveness. In addition, the Malaysian International Furniture Fair ("MIFF") 2026 generated an estimated US\$1.3 billion in on-site sales, underscoring the continued global demand for Malaysian furniture products.²

Against this backdrop, the Group will continue to strengthen its cross-border e-commerce business model. Key strategic priorities include expanding product offerings, improving speed-to-market, enhancing inventory planning and leveraging technology to support operational efficiency and data-driven decision-making. These initiatives are expected to further strengthen the Group's competitiveness and support scalable execution across its key platforms and international markets.

At the same time, the Group remains mindful that the global operating environment may continue to experience periods of volatility. Developments in global trade policies, including tariff measures affecting furniture categories in certain markets, may influence pricing dynamics, landed costs and purchasing patterns. Accordingly, the Group will continue to monitor these developments closely while maintaining commercial flexibility and disciplined cost management.

In navigating these conditions, the Group will continue to focus on several key operational priorities. These include strengthening B2C platform performance across core marketplaces, maintaining disciplined inventory management to improve stock turnover and working capital efficiency, and enhancing overall profitability through operational efficiency, cost optimisation and improved product mix. These initiatives are intended to strengthen the Group's operational resilience while positioning the business for sustainable long-term growth.

Supported by its established supplier network, expanding e-commerce capabilities and ongoing technology investments, the Group remains committed to strengthening its competitive position in the global online furniture market and delivering sustainable value to its stakeholders.



¹ <https://www.imf.org/en/publications/weo/issues/2026/01/19/world-economic-outlook-update-january-2026>

² <https://www.thestar.com.my/news/nation/2026/03/04/miff-2026-showcases-malaysias-sustainable-furniture-industry>

Management Discussion & Analysis Statement (Cont'd)

ANTICIPATED OR KNOWN RISKS

In pursuing its growth strategy, the Group remains mindful of the evolving risks associated with operating in a global cross-border e-commerce environment. Management continuously monitors key risk factors and implements appropriate mitigation measures to safeguard operational resilience and support the Group's long-term sustainability.

The Group operates in a dynamic international environment and is exposed to a range of external and operational risks that may affect its financial performance and operating results. Accordingly, the Group adopts a proactive approach to risk management, focusing on monitoring developments in key markets while strengthening internal processes and operational discipline.

Trade Policy and Tariff Risks

Changes in trade policies and tariff structures in key export markets remain a significant risk factor for the Group. Tariff measures affecting furniture categories in major markets such as the United States may influence landed costs, pricing competitiveness and customer purchasing behaviour. These developments may affect both B2B procurement patterns as well as B2C pricing dynamics across e-commerce platforms.

To manage this risk, the Group closely monitors developments in global trade policies and maintains flexibility in its sourcing, pricing and commercial strategies to respond to evolving market conditions.

Freight and Logistics Risks

Global freight and logistics conditions continue to evolve following the volatility experienced in shipping markets in recent years. While container shipping capacity has increased with the delivery of new vessels, freight rates remain sensitive to geopolitical developments, trade policy shifts and disruptions along key maritime routes.

Events such as rerouting around the Red Sea, periodic port congestion and changes in global trade flows may continue to influence transit times and logistics reliability. These factors may impact inventory planning, fulfilment timelines and overall logistics cost structures for companies operating in cross-border supply chains.

The Group works closely with its logistics partners to optimise shipping routes, negotiate competitive freight arrangements and improve demand forecasting to better align inventory positioning with market demand. These initiatives are intended to mitigate

potential freight cost fluctuations, enhance delivery reliability and maintain consistent service levels for customers across the Group's key markets.

Supplier and Operational Risks

The Group relies on third-party manufacturers and suppliers to support its asset-light sourcing model. As a result, operational risks may arise from variations in product quality, production lead times and fulfilment execution.

To mitigate these risks, the Group maintains close engagement with its manufacturing partners and implements quality monitoring and operational controls to ensure consistent product standards and reliable delivery performance.

Foreign Exchange Risks

As a cross-border e-commerce business, the Group is exposed to foreign exchange volatility, particularly movements between the RM and major trading currencies such as the USD.

Fluctuations in exchange rates may affect the translated value of export revenues, procurement costs and overall margin performance. The Group actively monitors its foreign exchange exposures and implements appropriate treasury and risk management practices, including hedging strategies where appropriate, to manage currency risks and support financial stability.

Despite these risks, the Group believes that its diversified market exposure, disciplined operational management and continued investments in technology position it well to navigate the evolving global business environment.

FORWARD LOOKING STATEMENT

Looking ahead, Synergy House Berhad remains focused on strengthening its operational capabilities, enhancing cost discipline and broadening its product portfolio to maintain competitiveness in the global furniture e-commerce market.

The Group will continue to expand its presence across key B2C platforms, introduce new product categories and leverage technology to enhance operational efficiency, data-driven decision-making and overall customer experience. These initiatives are expected to further strengthen the Group's digital commerce capabilities and support its ability to respond to evolving consumer preferences in its key markets.

While near-term uncertainties remain, particularly in relation to global trade developments, consumer sentiment and foreign exchange volatility, the Group remains cautiously optimistic about its long-term prospects. Supported by its strategic initiatives, ongoing investments in technology and strong supplier partnerships, the Group believes it is well positioned to navigate market challenges and deliver sustainable growth while creating long-term value for its stakeholders.





SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT ▲

Synergy House Berhad (“Synergy” or “the Group”) presents this FY 2025 Sustainability Statement (“SS”) to outline our approach, progress, and performance in managing sustainability-related risks and opportunities arising from our identified Material Matters. Guided by our commitment to responsible and sustainable growth, the Group continues to embed sound environmental, social, and governance (“ESG”) practices across our operations, set clear objectives, and enhance operational efficiency to create long-term value for our stakeholders while contributing positively to the energy transition and broader society.

The Group’s sustainability disclosures for the current reporting period are prepared on a proportionate basis, taking into account the Group’s size, operational complexity, and stage of sustainability reporting maturity as an ACE Market-listed issuer. References to international sustainability frameworks reflect alignment with key principles and guidance, rather than full application or compliance, unless otherwise stated.

Sustainability Statement (Cont'd)

Our Key Business Activities

Synergy is a cross-border e-commerce seller and furniture exporter specialising in beautifully designed and affordable Ready-to-Assemble (“RTA”) home furniture. Our RTA furniture is thoughtfully designed in flat-packed form to enable efficient storage and international transportation, with easy assembly by customers upon purchase. Leveraging strong design capability and an efficient fulfilment model, the Group delivers a wide range of functional and stylish home furniture solutions to customers across global markets, supported by a scalable e-commerce platform and export distribution network.

Reporting Guidelines, Frameworks and Standards

This Sustainability Report of Synergy and its subsidiaries has been prepared in accordance with Bursa Malaysia’s ACE Market Listing Requirements, guided by the Sustainability Reporting Guide (3rd Edition) and the National Sustainability Reporting Framework (“NSRF”) issued by the Advisory Committee on Sustainability Reporting (“ACSR”). The Statement also aligns with relevant national and international sustainability principles, frameworks, and standards to enhance the transparency, consistency, and credibility of our sustainability disclosures.

Corporate Governance and Global Sustainability Alignment

- Malaysian Code on Corporate Governance (“MCCG”) issued by the Securities Commission Malaysia
- United Nations Sustainable Development Goals (“UNSDGs”)
- Task Force on Climate-related Financial Disclosures (“TCFD”) Recommendations (part of the IFRS Foundation)

Reporting Frameworks

- National Sustainability Reporting Framework (“NSRF”)
- IFRS Sustainability Disclosure Standards issued by the IFRS Foundation:
 - o IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information
 - o IFRS S2 – Climate-related Disclosures
- International <Integrated Reporting> Framework and Integrated Thinking Principles (part of the IFRS Foundation)

International Standards and Guidelines

- AccountAbility Standards:
 - o AA1000 AccountAbility Principles
 - o AA1000 Stakeholder Engagement Standard
- International Workshop Agreements (“IWA”):
 - o IWA 48:2024 – Framework for Implementing Environmental, Social and Governance (“ESG”) Principles
 - o IWA 42:2022 – Net Zero Guidelines
- International Organisation for Standardisation (“ISO”):
 - o ISO 14064-1:2018 – Greenhouse Gases (“GHG”)
 - o ISO 20400:2017 – Sustainable Procurement – Guidance
 - o ISO 59004:2024 – Circular Economy – Vocabulary, Principles and Guidance for Implementation
 - o ISO 59020:2024 – Circular Economy – Measuring and Assessing Circularity Performance

The above frameworks and standards are referenced to guide the development of the Group’s sustainability approach and disclosures. The Group does not claim full adoption or certification under these frameworks unless explicitly stated.

Early Adoption of IFRS Sustainability Disclosure Standards

The Group commenced the early adoption of the IFRS Sustainability Disclosure Standards during the financial year ending 31 December 2025 (“FY 2025”), marking a significant step towards aligning our sustainability reporting with globally recognised best practices. During this initial phase, the Group has begun applying the core principles of IFRS S1 and IFRS S2, with a primary focus on governance, strategy, risk management, and climate-related disclosures.

Quantitative financial impact assessments, scenario-adjusted financial modelling, and detailed emissions analysis have not been fully implemented during the reporting period due to data availability and system readiness constraints. The Group intends to progressively enhance the scope and depth of its disclosures in future reporting periods.



Sustainability Statement (Cont'd)

Reporting Period, Scope and Basis of Scope

This Sustainability Statement has been prepared for Synergy in accordance with the Malaysian Financial Reporting Standards ("MFRS") issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. Reference has also been made to Practice Note 9A-A, including Part A: Contents of the Sustainability Statement and Part B: Disclosure of Common Sustainability Matters.

Where value chain information is disclosed, such disclosures are limited to areas where data is reasonably available and relevant to the Group's principal activities.

The reporting period covers the financial year from 1 January 2025 to 31 December 2025. The scope of reporting includes the Group's direct operations and relevant elements of its value chain, consistent with the Group's consolidated financial statements.

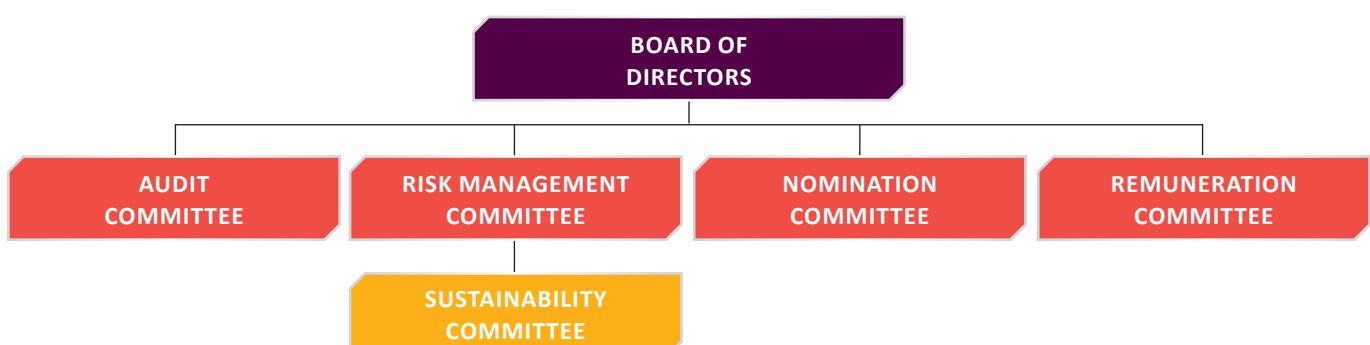
To support the identification and management of sustainability-related risks and opportunities, the Group applies the following time horizons in its assessments and strategic planning:

Short-Term	Medium-Term	Long-Term
0 to 12 months	1 to 5 years	Beyond 5 years

All financial figures and disclosures in this Report are presented in Malaysian Ringgit ("MYR"), consistent with the currency used in Synergy's consolidated financial statements.

SUSTAINABILITY GOVERNANCE

Synergy is committed to advancing sustainable and responsible growth through a governance framework that integrates sustainability considerations into strategic planning, operational execution, and decision-making processes. Sustainability principles are embedded across the Group's operations to support ethical conduct, regulatory compliance, and transparent business practices. Our governance structure provides clear roles, accountability, and oversight to ensure sustainability-related risks and opportunities are effectively identified, managed, and monitored across the Group.



Board of Directors' Approval

The Board of Directors has reviewed and approved this Sustainability Statement and remains accountable for the accuracy, completeness, and integrity of the disclosures presented. The Board is committed to maintaining strong governance oversight, effective internal controls, and continuous improvement in sustainability management and reporting.

Internal Management Review

The sustainability information and performance data disclosed in this Sustainability Statement have been subject to an internal management review process. This review is designed to enhance internal consistency, completeness, and reasonableness of disclosures based on information derived from internal records and operational systems.

The management review does not constitute independent or external assurance and should not be relied upon as providing the level of assurance associated with engagements conducted in accordance with ISAE 3000 (Revised) or ISSA 5000.

Forward-looking Statements

This Sustainability Statement may contain forward-looking statements relating to the Group's sustainability strategies, targets, and future initiatives. These statements are based on current expectations and assumptions and are subject to risks, uncertainties, and changes in circumstances. Actual outcomes may differ materially from those expressed or implied.

Feedback

The Group welcomes feedback from stakeholders to support the continuous improvement of our sustainability practices and disclosures. For comments, inquiries, or suggestions, please contact us at: sustainability@synergy-house.com

Sustainability Statement (Cont'd)

SUSTAINABILITY GOVERNANCE (CONT'D)

Board of Directors

The Board of Directors provides overall oversight of the Group's sustainability strategy and performance. It ensures that sustainability considerations are aligned with the Group's long-term business objectives and are integrated into key strategic and operational decisions. The Board also reviews sustainability progress and approves sustainability-related disclosures, reinforcing accountability and a culture of responsible business practices across the Group.

Audit Committee ("AC")

The AC supports the Board by overseeing the integrity of the Group's reporting and internal control environment, including ensuring sustainability-related disclosures are appropriately reviewed for accuracy, completeness, and compliance with applicable requirements. It also reviews the effectiveness and independence of internal and external auditors, and monitors key governance matters such as related party transactions and compliance.

Risk Management Committee ("RMC")

The RMC supports the Board by overseeing the Group's risk management framework, including the identification,

assessment, and monitoring of key risks such as sustainability and climate-related risks. It ensures appropriate mitigation measures are in place and reviews risk-related disclosures for inclusion in the Annual Report, enabling informed decision-making and long-term resilience.

Sustainability Committee

Led by the Chief Financial Officer and relevant Heads of Department, the Sustainability Committee is responsible for implementing the Group's sustainability strategy and initiatives across the business. It coordinates cross-functional execution, monitors sustainability performance, identifies and manages sustainability-related risks and opportunities, and supports compliance with applicable sustainability regulations and reporting standards.

Sustainability Integration in Nomination and Remuneration Practices

The Group promotes leadership accountability by progressively incorporating sustainability considerations into nomination and remuneration practices. This includes linking management performance assessments to relevant sustainability objectives, reinforcing responsible decision-making and long-term value creation.

STAKEHOLDER ENGAGEMENT

Synergy recognises its stakeholders—including customers, employees, suppliers, investors, regulators, and local communities—as important partners in achieving sustainable growth and long-term success. The Group maintains regular engagement with stakeholders to support transparency, encourage collaboration, and build long-term trust. Through ongoing communication and constructive dialogue, the Group gains a better understanding of stakeholder expectations and concerns, enabling sustainability considerations to be effectively integrated into business strategies and operations. This approach supports continuous improvement in sustainability performance and the creation of shared value across the Group's business ecosystem.

The table below outlines the Group's key stakeholder groups, methods of engagement, and the key outcomes of these engagements.

Key Stakeholders	Areas of Concern/ Interest	Engagement Approach	Our Responses
Customers	<ul style="list-style-type: none"> Product quality and compliance Customer service and experience 	<ul style="list-style-type: none"> Customer relationship management Reliable service and on-time delivery 	<ul style="list-style-type: none"> Uphold quality assurance Customer satisfaction survey
Employees	<ul style="list-style-type: none"> Health and safety Welfare and remuneration Workplace diversity Training and career development Value equal opportunities 	<ul style="list-style-type: none"> Performance appraisal Management and staff meeting Employee engagement programmes and initiatives Training programmes 	<ul style="list-style-type: none"> Encourage transparent communication with employees Ensure equal employment opportunities for all individuals without discrimination Provide reasonable benefits and remuneration package
Suppliers	<ul style="list-style-type: none"> Transparent procurement practices Payment schedule Anti-bribery 	<ul style="list-style-type: none"> Evaluation on performance Anti-bribery commitment 	<ul style="list-style-type: none"> Prioritise the establishment of transparent procurement processes Require suppliers to undergo a due diligence assessment

Sustainability Statement (Cont'd)

STAKEHOLDER ENGAGEMENT (CONT'D)

Key Stakeholders	Areas of Concern/ Interest	Engagement Approach	Our Responses
Investors	<ul style="list-style-type: none"> Financial performance Business strategy Shareholder value 	<ul style="list-style-type: none"> Annual report Annual general meeting Financial report Corporate website Company announcements Investor relations activities 	<ul style="list-style-type: none"> Provide timely updates on the group's strategy and financial performance through investor briefings and announcements Uphold good governance practices across the Group and supply chain
Government Agencies	<ul style="list-style-type: none"> Governance compliance Environment management and compliance Fair labour practices Policy matters (public, health and safety) Anti-bribery 	<ul style="list-style-type: none"> Annual report Meeting & seminar Public announcement Inspection/audit by local authority Anti-bribery commitment 	<ul style="list-style-type: none"> Full compliance with regulatory requirements Adoption of practices outlined in the Malaysian Code on Corporate Governance & anti-bribery practices
Local Communities	<ul style="list-style-type: none"> Impact of business operation Social issue 	<ul style="list-style-type: none"> Community programmes Customer relationship and engagement 	<ul style="list-style-type: none"> Enhance the welfare and well-being of the community

SUSTAINABILITY COMMITMENTS AND APPROACH

Sustainability Framework

Synergy's sustainability framework is guided by four pillars—Economic, Environmental, Social and Governance ("EESG"). This framework helps the Group identify and manage sustainability matters that are most relevant to our business, including furniture manufacturing, sourcing, logistics, and retail operations. It supports the integration of responsible and ethical practices across our operations, strengthening long-term resilience and value creation for stakeholders.

The table below outlines the Group's key sustainability topics by operational areas and aligned EESG pillars.

	Design and Development	Retail and Customer Operations	Corporate and Support Functions
Economic	Cost control; product quality and innovation; reducing defects and wastage; functionality	Sales performance and customer experience; after-sales service quality; operational efficiency	Financial management; cost optimisation; supplier performance and operational risk management
Environmental	Sustainable sourcing; waste minimisation; energy efficiency; responsible use of materials and chemicals	Packaging management; delivery and logistics emissions reduction	Sustainable procurement practices; environmental compliance; improving sustainability data readiness
Social	Workplace safety; employee wellbeing; skills training; responsible contractor practices	Customer satisfaction and product safety; staff development; community engagement	Employee engagement and retention; diversity and inclusion; stakeholder engagement
Governance	Compliance with safety and product standards; ethical conduct; operational risk controls	Product and service governance; customer feedback and complaint handling; data privacy	Corporate governance and compliance; sustainability governance and reporting; internal controls

The Group's materiality assessment is guided by the International Integrated Reporting Council's ("IIRC") Six Capitals Framework, encompassing Financial, Manufactured, Governance, Human, Social, and Natural capitals. This approach enables the Group to assess sustainability impacts, risks, and opportunities across all areas of the business.

Sustainability Statement (Cont'd)

SUSTAINABILITY COMMITMENTS AND APPROACH (CONT'D)

Sustainability Framework (Cont'd)

The assessment is aligned with the United Nations Sustainable Development Goals (“UNSDGs”) and Bursa Malaysia’s Common Sustainability Indicators¹, ensuring that the Group’s sustainability priorities remain relevant to stakeholders, support long-term value creation, and respond to evolving regulatory and market expectations.

Capitals	Definition	Aspects
Financial	Funds available for our Group’s working capital requirements from the internal operations and internal/external financing sources	Financial Highlight Resources to support our Group’s operations and to implement other Capitals
Manufactured	Creating value through innovation and product quality and compliance	Marketplace Implementing sustainability through product quality and compliance
Governance	Good governance and robust internal control system and procedures	Governance Board engagement on strategy and sound governance of internal controls to enhance sustainability initiatives
Human	Skills, motivation, and alignment with our organisational goals	Workplace Creating a safe and supportive working environment, training and self-development
Social	Relations with key institutions, stakeholder groups, shared norms and values, trust and confidence and its social license to operate	Community Contributing to local community development
Natural	Renewable and non-renewable natural elements and the eco-system, used as inputs by our Group now or in the past or future, and the impacts from our Group’s operations on them	Environment Improving our environment by utilising greener alternatives

¹ Bursa Malaysia’s Common Sustainability Indicators provide a standardised set of ESG metrics to enhance the consistency and comparability of sustainability disclosures. Covering key economic, environmental, and social areas, these indicators guide listed issuers in aligning with global frameworks such as IFRS S1/S2, TCFD, and GRI, and are mandatory for Main and ACE Market companies.

Materiality Assessment Process

The materiality assessment considers both the likelihood and potential severity of sustainability-related risks and opportunities on the Group’s business, operations, and long-term value creation. Inputs were identified by Management with reference to regulatory expectations, industry context, internal risk considerations, and stakeholder perspectives obtained through existing engagement channels. The resulting material topics and assessment outcomes were reviewed and endorsed by the Board.

Material Topics

Synergy carries out an annual review of its material sustainability topics to ensure they remain relevant to the Group’s business activities, responsive to stakeholder expectations, and aligned with the Group’s strategic direction. The review is overseen by the Board and supported by Management, providing a structured basis to identify sustainability-related risks and opportunities that could affect the Group’s resilience and long-term value creation.

In assessing material topics, the Group applies the principles of the IFRS Sustainability Disclosure Standards (IFRS S1 and S2), considering both the probability of occurrence and the potential magnitude of impact on the business. The review is further supported by reference to the IIRC’s Six Capitals framework, the United Nations Sustainable Development Goals (“UNSDGs”), and Bursa Malaysia’s Common Sustainability Indicators, to promote a balanced and comprehensive assessment.

During FY2025, Synergy updated its material sustainability topics to reflect operational developments, regulatory changes, and stakeholder feedback. This helps ensure the Group’s sustainability focus remains current and relevant, while supporting responsible practices and continuous improvement across the organisation.

Sustainability Statement (Cont'd)

SUSTAINABILITY COMMITMENTS AND APPROACH (CONT'D)

Material Topics (Cont'd)

Material Topics	Risk and opportunities (IFRS S1 and S2)	Six Capitals	UNSDGS	Bursa Malaysia's Common Sustainability Indicators
Economic				
Financial Performance	<p>Risk: Rising costs and weak market demand may affect profitability and cash flow.</p> <p>Opportunity: Strong financial performance supports reinvestment and sustainable growth.</p>	Financial	<ul style="list-style-type: none"> SDG 8: Decent Work and Economic Growth 	N/A
Summary of management approach	Synergy's management approach focuses on disciplined financial management, strategic growth across B2C and B2B segments, technology-driven efficiency, and strong supplier governance to support sustainable long-term value creation.			
Environmental				
Climate Change (Energy Management and Emissions)	<p>Risk: Higher energy costs and climate disruptions may affect operations and deliveries.</p> <p>Opportunity: Efficiency improvements can reduce costs and emissions.</p>	Natural	<ul style="list-style-type: none"> SDG 11: Sustainable Cities and Communities SDG 12: Responsible Consumption and Production SDG 13: Climate Action 	<ul style="list-style-type: none"> B4(a) Total energy consumption B11(a) Scope 1 emissions in tonnes of CO2e B11(b) Scope 2 emissions in tonnes of CO2e B11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)
Summary of management approach	The Group minimises energy consumption and emissions through digitalisation, operational efficiency, and continuous improvement initiatives across its value chain.			
Water	<p>Risk: Water shortages or higher water costs may impact operations.</p> <p>Opportunity: Water-saving practices improve efficiency and reduce wastage.</p>	Natural	<ul style="list-style-type: none"> SDG 6: Clean Water and Sanitation SDG 12: Responsible Consumption and Production 	B9(a) Total volume of water used
Summary of management approach	Synergy promotes responsible water use through conservation efforts, continuous improvement in water efficiency, and enhanced data collection to support better monitoring.			
Social				
Product and Service Quality	<p>Risk: Quality issues may lead to complaints, returns, and reputation damage.</p> <p>Opportunity: Strong quality builds customer trust and repeat sales.</p>	Manufactured	<ul style="list-style-type: none"> SDG 3: Good Health and Well-being SDG 6: Clean Water and Sanitation SDG 7: Affordable and Clean Energy SDG 8: Decent Work and Economic Growth SDG 12: Responsible Consumption and Production SDG 13: Climate Action SDG 14: Life below Water SDG 15: Life on Land 	N/A
Summary of management approach	Synergy ensures product quality and compliance by applying structured quality management systems and adhering to applicable regulatory and industry standards across its operations.			

Sustainability Statement (Cont'd)

SUSTAINABILITY COMMITMENTS AND APPROACH (CONT'D)

Material Topics (Cont'd)

Material Topics	Risk and opportunities (IFRS S1 and S2)	Six Capitals	UNSDGS	Bursa Malaysia's Common Sustainability Indicators
Social (Cont'd)				
Diversity and Inclusion	<p>Risk: Poor inclusion may reduce morale and talent retention.</p> <p>Opportunity: A diverse workplace supports engagement and performance.</p>	Human	<ul style="list-style-type: none"> • SDG 5: Gender Equality • SDG 8: Decent Work and Economic Growth 	<ul style="list-style-type: none"> • B3(a) Percentage of employees by gender and age group, for each employee category • B3(b) Percentage of directors by gender and age group • B6(b) Percentage of employees that are contractors or temporary staff • B6(d) Number of substantiated complaints concerning human rights violation
Summary of management approach	Synergy promotes diversity, equity, and inclusion by upholding fair employment practices and providing equal opportunities across all levels of the organisation.			
Employee Management	<p>Risk: High turnover and skill gaps may affect productivity and service.</p> <p>Opportunity: Training and development strengthen capability and retention.</p>	Human	<ul style="list-style-type: none"> • SDG 1: No Poverty • SDG 4: Quality Education • SDG 8: Decent Work and Economic Growth • SDG 10: Reduced Inequalities 	<ul style="list-style-type: none"> • B6(a) Total hours of training by employee category • B6(c) Total number of employee turnover by employee category
Summary of management approach	Synergy maintains a safe workplace through proactive risk management, safety training, and committee-led oversight to protect employee wellbeing across all operations.			
Health and Safety	<p>Risk: Workplace incidents may cause downtime and employee harm.</p> <p>Opportunity: Strong safety culture improves wellbeing and productivity.</p>	Human	<ul style="list-style-type: none"> • SDG 3: Good Health and Well-being • SDG 8: Decent Work and Economic Growth 	<ul style="list-style-type: none"> • B5(a) Number of work-related fatalities • B5(b) Lost time incident rate • B5(c) Number of employees trained on health and safety standards
Summary of management approach	Synergy maintains a safe workplace through proactive risk management, safety training, and committee-led oversight to protect employee wellbeing across all operations.			
Contributing to Local Communities	<p>Risk: Weak engagement may affect trust and reputation.</p> <p>Opportunity: Corporate Social Responsibilities ("CSR") builds goodwill and stronger stakeholder relationships</p>	Social	<ul style="list-style-type: none"> • SDG 8: Decent Work and Economic Growth 	<ul style="list-style-type: none"> • B2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer • B2(b) Total number of beneficiaries of the investment in communities
Summary of management approach	Synergy supports local communities through ongoing CSR initiatives that promote wellbeing, environmental awareness, and positive social impact.			

Sustainability Statement (Cont'd)

SUSTAINABILITY COMMITMENTS AND APPROACH (CONT'D)

Material Topics (Cont'd)

Material Topics	Risk and opportunities (IFRS S1 and S2)	Six Capitals	UNSDGS	Bursa Malaysia's Common Sustainability Indicators
Governance				
Anti-corruption	<p>Risk: Corruption incidents may lead to legal and reputation risks.</p> <p>Opportunity: Strong ethics improves trust with stakeholders and partners.</p>	Governance	<ul style="list-style-type: none"> SDG 16: Peace, Justice and Strong Institutions 	<ul style="list-style-type: none"> B1(a) Percentage of employees who have received training on anti-corruption by employee category B1(b) Percentage of operations assessed for corruption-related risks B1(c) Confirmed incidents of corruption and action taken
Summary of management approach	Synergy upholds strong governance through Board oversight, zero-tolerance ethics policies, confidential reporting channels, and ongoing improvements in anti-bribery awareness and corruption risk assessment.			
Cybersecurity and Data Privacy	<p>Risk: Cyber-attacks may disrupt operations or expose customer data.</p> <p>Opportunity: Strong controls protect trust and support secure digital operations.</p>	Governance	<ul style="list-style-type: none"> SDG 16: Peace, Justice and Strong Institutions 	<ul style="list-style-type: none"> B8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data
Summary of management approach	Synergy safeguards customer data through PDPA-aligned policies, endpoint protection, firewall controls, and ongoing cybersecurity improvements to manage evolving digital risks.			
Sustainable Supply Chain	<p>Risk: Supplier disruptions or non-compliance may affect quality and delivery.</p> <p>Opportunity: Responsible sourcing improves resilience and customer confidence.</p>	Governance	<ul style="list-style-type: none"> SDG 8: Decent Work and Economic Growth 	<ul style="list-style-type: none"> B7(a) Proportion of spending on local suppliers
Summary of management approach	Synergy promotes a responsible and resilient supply chain through structured supplier due diligence, ongoing performance monitoring, and ethical sourcing requirements, including ABC declarations.			



ECONOMIC

Economic Performance

Synergy believes that strong financial performance underpins long-term growth and value creation for stakeholders. The Group's operations support business stability, employment, and economic contributions through ongoing investments and responsible business practices.

During the year, Synergy focused on prudent financial management, cost control, and operational efficiency to navigate market challenges. The Group expanded its B2C segment through e-commerce platform growth, market expansion, and enhanced product offerings, while continuing to strengthen its B2B segment through long-standing customer relationships.

Technology and artificial intelligence are leveraged to improve operational efficiency, customer engagement, and data-driven decision-making across key functions.

As manufacturing is fully outsourced, Synergy works closely with third-party suppliers to ensure ethical and responsible practices through regular audits and compliance monitoring.

Moving forward, the Group remains committed to sustainable growth, disciplined capital management, and long-term value creation.

Material Topic: Financial Performance	
Align with	Financial Capital SDG 8: Decent Work and Economic Growth
Summary of management approach	Synergy's management approach focuses on disciplined financial management, strategic growth across B2C and B2B segments, technology-driven efficiency, and strong supplier governance to support sustainable long-term value creation.

Sustainability Statement (Cont'd)



ENVIRONMENTAL

Climate Change (Energy Management and Emissions)

During FY 2025, the Group remained committed to managing energy consumption and minimising greenhouse gas emissions through digitalisation, operational efficiency, and continuous improvement initiatives. These efforts support the Group's broader objective of reducing its environmental footprint while maintaining sustainable business growth.

The Group leverages digital platforms across its operations, with marketing activities conducted fully virtually, significantly reducing travel-related emissions and paper usage. Initiatives such as 3D product rendering minimise the need for physical samples, while packaging optimisation efforts, including reduced carton sizes and improved freight efficiency, help lower transportation-related emissions.

In addition, quality control processes emphasise digital documentation and continuous improvement practices. Efforts to minimise rework and product rejects contribute to reducing material waste and energy consumption across the value chain.

Through these initiatives, the Group continues to enhance energy efficiency and reinforce its commitment to responsible environmental management.

	Unit	2025
B11(a) Scope 1 emissions in tonnes of CO ₂ e – company cars; fuel & diesel	tCO ₂ e	94.37
B11(b) Scope 2 emissions in tonnes of CO ₂ e – electrical	tCO ₂ e	311.19
B11(c) Scope 3 emissions in tonnes of CO ₂ e (staff claims – petrol and diesel, air travel, and employee commuting)	tCO ₂ e	90.21

	Unit	2025
B4(a) Total energy consumption	MWh	420.52

Material Topic: Climate Change (Energy Management and Emissions)

Align with	Natural Capital SDG 11: Sustainable Cities and Communities SDG 12: Responsible Consumption and Production SDG 13: Climate Action
Summary of management approach	The Group minimises energy consumption and emissions through digitalisation, operational efficiency, and continuous improvement initiatives across its value chain.

Water

Synergy recognises that inefficient or excessive water use can place pressure on local water resources and may contribute to wastewater generation and impacts on water quality. The Group remains mindful of its water-related responsibilities and promotes ongoing awareness and conservation efforts to support the protection of water resources and the wellbeing of surrounding ecosystems and communities. Moving forward, Synergy will continue to identify opportunities to enhance water efficiency, strengthen responsible water management practices across its operations, and improve data collection to support better monitoring and decision-making.

	Unit	2025
B9(a) Total volume of water used	Megalitres	1.529

Material Topic: Water

Align with	Natural Capital SDG 6: Clean Water and Sanitation SDG 12: Responsible Consumption and Production
Summary of management approach	Synergy promotes responsible water use through conservation efforts, continuous improvement in water efficiency, and enhanced data collection to support better monitoring.

Sustainability Statement (Cont'd)



SOCIAL

Product Quality and Compliance

Synergy is committed to delivering furniture products that meet applicable regulatory requirements, customer specifications, and recognised quality standards. Product quality and compliance are core to the Group's operations, supporting customer satisfaction, brand reputation, and long-term business sustainability. By embedding quality assurance practices across the product lifecycle—from design and sourcing to production, packing, and delivery—the Group strengthens risk management and ensures consistent value creation for stakeholders.

During the reporting year, the Group continued to implement a structured quality management and compliance approach across its manufacturing and supply chain operations. Quality control processes are integrated into key operational stages, including incoming material inspection, in-process checks, product testing, final inspection, and after-sales feedback monitoring. These processes are supported by documented procedures, internal controls, and periodic reviews to ensure consistent adherence to standards and regulatory expectations.

Quality Control and Compliance Focus Areas

Environmental Quality Act 1974 (Malaysia)	Quality control activities are carried out in a manner that minimises pollution risks, including proper management of emissions, waste, and housekeeping practices at production facilities.
EU REACH Regulation (EC 1907/2006)	The Group monitors material safety requirements to ensure products supplied to customers do not contain restricted substances above allowable limits, particularly for finishes, coatings, and upholstery-related materials.
CARB Phase II/TSCA Title VI (Formaldehyde Emissions Control)	For engineered wood materials such as particleboard, MDF, and plywood, Synergy requires supplier documentation to verify compliance with formaldehyde emission limits, supporting safer indoor air quality standards for end consumers.
RoHS Directive (2011/65/EU)	The Group verifies that relevant hardware and fittings (e.g. electrical components, LED lighting, chargers, or metal fittings where applicable) meet restricted substance requirements to support customer and market compliance.
Buyer and Market-Specific Requirements (UK/US/Canada and Others)	Where required, Synergy aligns with customer-specific safety and environmental standards such as flammability requirements (e.g. CA TB 117), VOC limits, and finishing material specifications.
Operational Environmental Practices (Internal QC Process)	<ul style="list-style-type: none"> • Adoption of digital checklists and e-records to reduce paper usage • Segregation of sample waste (e.g. wood, metal, foam, fabric) for recycling where practicable • Reduction of rework and rejects through root cause analysis to minimise material wastage

In addition, the Group carried out testing and development of improved packaging methods to reduce the use of polyfoam in our products, supporting the delivery of more environmentally friendly packaging solutions. The Group also encourages recycling activities within its facilities to strengthen environmental awareness and responsible waste management practices.

These certifications and internal controls provide a structured framework for managing operational risks, supporting regulatory compliance, and maintaining consistent performance across Synergy's manufacturing, sourcing, logistics, and retail operations. Continuous improvement remains a key focus, supported through internal audits, management reviews, corrective action processes, and ongoing optimisation initiatives. Employee training and competency development are prioritised to ensure consistent application of quality standards and compliance requirements. Through these measures, Synergy continues to deliver reliable and compliant products, uphold high standards of safety and environmental responsibility, and strengthen its reputation for quality workmanship and operational integrity.

Material Topic: Product and Service Quality

Align with	<p>Manufactured Capital</p> <p>SDG 3: Good Health and Well-being SDG 6: Clean Water and Sanitation SDG 7: Affordable and Clean Energy SDG 8: Decent Work and Economic Growth SDG 12: Responsible Consumption and Production SDG 13: Climate Action SDG 14: Life below Water SDG 15: Life on Land</p>
Summary of management approach	Synergy ensures product quality and compliance by applying structured quality management systems and adhering to applicable regulatory and industry standards across its operations.

Sustainability Statement (Cont'd)

SOCIAL (CONT'D)

Diversity and Inclusion

Synergy is committed to building a respectful and inclusive workplace where employees are treated fairly and provided with equal opportunities. The Group does not tolerate any form of discrimination and upholds a culture of mutual respect across the organisation, regardless of gender, age, race, religion, nationality, disability, or other personal characteristics. By promoting diversity and inclusion, Synergy aims to enhance employee wellbeing, strengthen teamwork, and support long-term organisational performance.

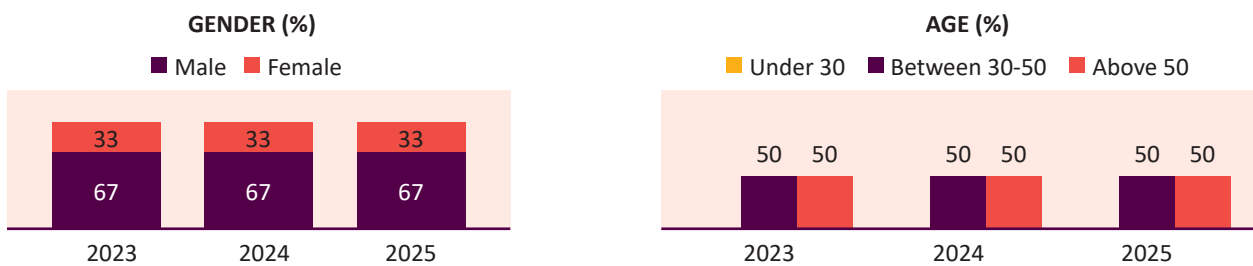
The Group’s approach to diversity, equity and inclusion is guided by fair employment practices and respect for human rights. These principles are applied throughout key people processes, including recruitment, training and development, performance assessment, and career progression. Employees are evaluated based on merit, competence and performance, with opportunities provided to support personal growth and leadership development.

During the reporting year, Synergy continued to uphold ethical labour practices across its operations. There were no reported incidents of discrimination or human rights violations during the year, reflecting the Group’s continued focus on maintaining a safe and inclusive work environment. Moving forward, the Group will continue to strengthen awareness, encourage respectful workplace behaviours, and promote equal access to development opportunities for all employees.

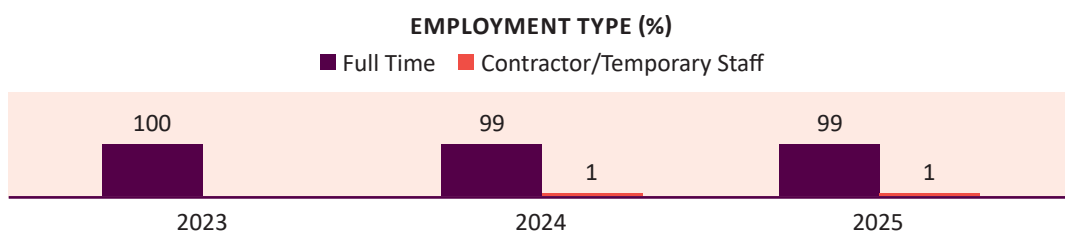
	2023	2024	2025
B6(d) Number of substantiated complaints concerning human rights violation	0	0	0

The charts below present the Group’s board diversity profile and workforce composition for FY 2025, providing an overview of representation across key demographic categories.

Board Diversity Total Directors of 6 in FY 2025 B3(b) Percentage of directors by gender and age group



Workforce Profile (based on total employees of 221 as of 31 December 2025) B6(b) Percentage of employees that are contractors or temporary staff



B3(a) Percentage of employees by gender and age group, for each employee category

Sustainability Statement (Cont'd)

SOCIAL (CONT'D)

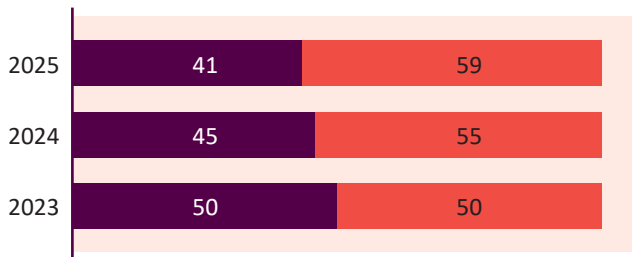
Diversity and Inclusion (Cont'd)

Workforce Profile by Employee Category (%)

Gender Diversity

MANAGEMENT

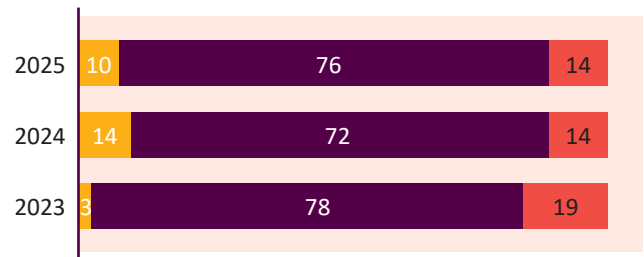
Male Female



Age Diversity

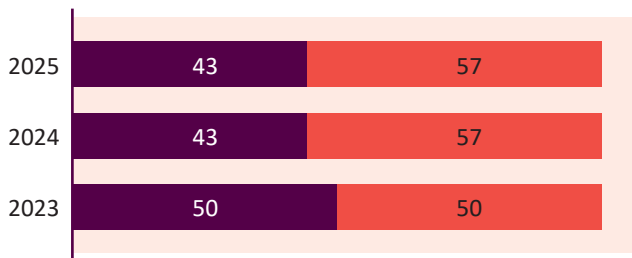
MANAGEMENT

Under 30 Between 30-50 Above 50



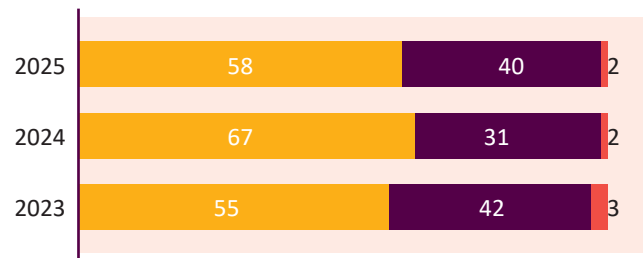
EXECUTIVE

Male Female



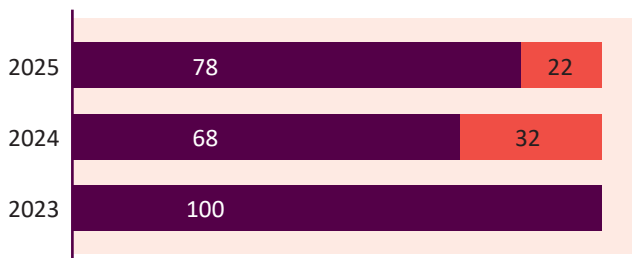
EXECUTIVE

Under 30 Between 30-50 Above 50



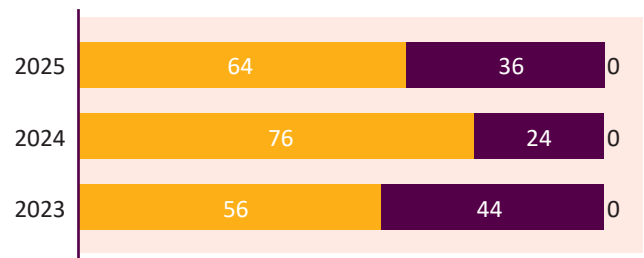
NON-EXECUTIVE/TECHNICAL STAFF

Male Female



NON-EXECUTIVE/TECHNICAL STAFF

Under 30 Between 30-50 Above 50



Material Topic: Diversity and Inclusion	
Align with	Human Capital SDG 11: Sustainable Cities and Communities SDG 12: Responsible Consumption and Production SDG 13: Climate Action
Summary of management approach	Synergy promotes diversity, equity, and inclusion by upholding fair employment practices and providing equal opportunities across all levels of the organisation.

Sustainability Statement (Cont'd)

SOCIAL (CONT'D)

Employee Management

Employees are central to Synergy's ability to deliver engineering excellence and achieve sustainable long-term growth. The Group is committed to providing a supportive, inclusive, and engaging workplace that promotes employee wellbeing, professional development, and fair treatment. Our human capital management approach focuses on building skills, encouraging continuous learning, and recognising performance through merit-based practices, while ensuring compliance with applicable labour laws and upholding equal opportunity and non-discrimination across all employment practices. Through these efforts, the Group aims to develop a competent, motivated, and future-ready workforce.

- **Training and Development**

Synergy believes that continuous learning is essential to enhancing productivity, improving service standards, and supporting operational efficiency. The Group provides structured training programmes to strengthen job-related competencies, support employee development, and equip employees to meet evolving business and customer needs across retail, logistics, and corporate functions.

Training needs are identified through:

- (i) digital and internal learning platforms, including Synergy Apps and knowledge-sharing resources that support continuous learning;
- (ii) operational and department-driven requirements, where managers assess competency gaps based on business priorities and performance expectations; and
- (iii) planned capability development initiatives, where structured programmes are implemented to build technical expertise, leadership capabilities, and compliance readiness.

During FY 2025, training efforts focused on key areas such as leadership and people development, communication and team effectiveness, occupational safety and regulatory compliance, data protection, sustainability requirements (including EUDR awareness), operational skills (e.g. forklift and reach truck handling), sales and customer engagement, corporate governance, and continuous improvement initiatives such as Lean Six Sigma.

The Group conducted a diverse range of programmes, including leadership development (e.g. Transformational Leadership, Vistage-Key Collaborative Leadership, EQ & Coaching), regulatory and compliance training (e.g. OSH-C Certification, Data Protection Officer Programme, Employment Act updates, EUDR Training), operational and technical training (e.g. Forklift & Reach Truck Safety), as well as corporate and strategic programmes (e.g. Budget Seminar, Performance Appraisals, Train-the-Trainer, and Lean Six Sigma Green Belt).

In total, Synergy invested MYR 201,049.28 in employee training and development, reflecting its continued commitment to strengthening workforce capability, enhancing operational resilience, and supporting long-term organisational performance.

B6(a) Total hours of training by employee category	2023	2024	2025
Management	50	226	232
Executive	43	193	205
Non-executive/Technical Staff	9	9	9
General Workers	0	0	0

- **Remuneration Packages and Performance Management**

Synergy values employee contribution and performance as important drivers of organisational success. The Group adopts a structured performance management approach which includes annual performance and career development reviews, providing employees with opportunities for self-assessment, two-way feedback, and ongoing development. This supports accountability, collaboration, and continuous improvement across the organisation. The Group is also pleased to report that 100% of employees received a performance review in FY 2025.

Employee remuneration is determined through a fair and transparent process that considers experience and qualifications, individual and team performance, market benchmarks, and the Group's financial performance and long-term business priorities. Synergy provides competitive compensation and benefits to attract and retain talent, while ensuring that rewards remain aligned with sustainable business performance.

Sustainability Statement (Cont'd)

SOCIAL (CONT'D)

Employee Management (Cont'd)

The Group offers employment terms and benefits that are consistent with industry practices and support employee wellbeing. These include Annual Leave, Medical Leave, Maternity Leave, Paternity Leave, Outpatient Medical Benefits, Group Term Life Insurance, Group Hospital & Surgical Insurance Scheme, sports activities, free parking, and flexible working hours. Workforce-related indicators, including FY 2025 employee turnover trends, are presented below to provide transparency on workforce dynamics.

B6(c) Total number of employee turnover by employee category	2023	2024	2025
Management	0	0	0
Executive	33	38	54
Non-executive/Technical Staff	1	7	15
General Workers	0	0	0

Material Topic: Employee Management	
Align with	Human Capital SDG 1: No Poverty SDG 4: Quality Education SDG 8: Decent Work and Economic Growth SDG 10: Reduced Inequalities
Summary of management approach	Synergy maintains a safe workplace through proactive risk management, safety training, and committee-led oversight to protect employee wellbeing across all operations.

Health and Safety

Synergy remains committed to providing a safe and healthy workplace for all employees across our manufacturing, warehouse, and retail operations. The Group prioritises the prevention of workplace injuries and occupational illnesses by maintaining appropriate safety controls, promoting awareness, and strengthening a positive safety culture. By safeguarding employee health and safety, we support employee wellbeing, operational continuity, and long-term organisational performance.

To support this commitment, the Group's Safety and Health Committee oversees the implementation and monitoring of workplace health and safety practices. The Committee works closely with Management to identify safety risks, reinforce safe work procedures, and promote compliance with applicable regulatory requirements. Regular safety communications and awareness initiatives are conducted to strengthen employee understanding and accountability.

The Group also provides targeted health and safety training to ensure employees have the knowledge and competency to manage workplace risks. Employees attend relevant programmes such as fire safety, emergency response, first aid, and workplace hazard awareness to improve preparedness and safe working behaviours. Safety posters and signage are displayed at key areas to promote continuous awareness, while safety committees at each location monitor safety matters, support incident reporting, and drive corrective actions where needed.

The table below presents the Group's health and safety performance disclosures for FY 2025.

	2023	2024	2025
B5(a) Number of work-related fatalities	0	0	0
B5(b) Lost time incident rate	0	0	0
B5(c) Number of employees trained on health and safety standards	18	17	24

Material Topic: Health and Safety	
Align with	Human Capital SDG 3: Good Health and Well-being SDG 8: Decent Work and Economic Growth
Summary of management approach	Synergy maintains a safe workplace through proactive risk management, safety training, and committee-led oversight to protect employee wellbeing across all operations.

Sustainability Statement (Cont'd)

SOCIAL (CONT'D)

Contributing to Local Communities

Synergy is committed to contributing positively to the communities where we operate through our annual charity programmes and corporate social responsibility (“CSR”) initiatives. The Group believes that meaningful community engagement helps strengthen relationships, support social inclusion, and create lasting value beyond our business operations. By maintaining ongoing communication with community stakeholders, we aim to build trust, enhance our reputation, and respond responsibly to local needs and concerns. These initiatives reflect the Group’s continued commitment to community wellbeing and responsible corporate citizenship.

In FY 2025, 27 employees from Synergy House Furniture Sdn. Bhd. took part in a Beach Clean-Up CSR Activity at Pantai Morib Baharu on 27 September 2025. This is in conjunction with the International Coastal Clean-up Day which happens yearly in September. The programme involved a briefing session, clean-up activities, and waste collection and weighing, followed by a group photo session. The activity promoted environmental awareness and helped improve coastal cleanliness, while encouraging teamwork and a shared sense of responsibility among employees.

Looking forward, Synergy will continue to strengthen its community engagement efforts by contributing positively through meaningful initiatives and extending support to those in need, within the Group’s capabilities.

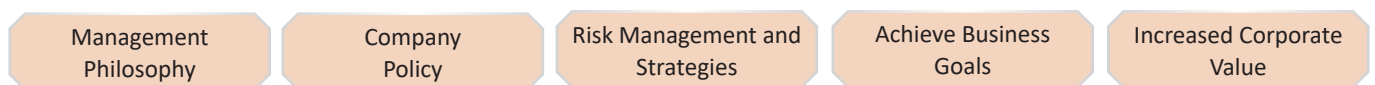
	2023	2024	2025
B2(a) Total amount invested in the community where the target beneficiaries are external to Synergy (MYR)	7,000	7,300	8,000
B2(b) Total number of beneficiaries of the investment in the communities	1	1	1

Material Topic: Contributing to Local Communities	
Align with	Human Capital SDG 8: Decent Work and Economic Growth
Summary of management approach	Synergy supports local communities through ongoing CSR initiatives that promote wellbeing, environmental awareness, and positive social impact.



GOVERNANCE

Anti-corruption



Transparency and integrity remain central to Synergy’s governance practices and sustainability disclosures. The Group believes that strong governance and ethical conduct are essential in maintaining stakeholder trust, particularly as we manage sustainability-related risks and business expectations across our operations and supply chain.

Synergy is committed to upholding high standards of corporate governance and responsible business conduct. Guided by the Malaysian Code on Corporate Governance (“MCCG”) 2021, the Board provides oversight on the Group’s risk management and internal control systems to support sound decision-making, regulatory compliance, and long-term business sustainability.

The Group’s commitment to integrity is reflected in its Code of Conduct, which outlines expected standards of behaviour for employees and business partners. Synergy adopts a zero-tolerance stance towards fraud, bribery, corruption, money laundering, and insider trading. To reinforce ethical practices, the Group maintains an Anti-Bribery and Corruption (“ABC”) Policy and Whistleblowing Policy, providing accessible and confidential reporting channels. All reports are handled with strict confidentiality to protect whistleblowers and support a safe reporting environment.

The Group acknowledges that there is room to strengthen anti-bribery training coverage and remains committed to improving awareness and reinforcing ethical practices across the organisation. The policies regarding anti-corruption and code of conducts are available for all employees to access in our Group’s internal intranet as well as in our Group corporate website (www.synergyhouseberhad.com).

Sustainability Statement (Cont'd)

GOVERNANCE (CONT'D)

Anti-corruption (Cont'd)

B1(a) Percentage of employees who have received training on anti-corruption by employee category	2023	2024	2025
Management	0	0	0
Executive	0	0	0
Non-executive/Technical Staff	0	0	0
General Workers	0	0	0

Looking ahead, the Group also plans to enhance its governance practices by implementing operational assessments for corruption-related risks, to further strengthen prevention and early detection measures across the business.

	2023	2024	2025
B1(b) Percentage of operations assessed for corruption-related risks	80	80	80
B1(c) Confirmed incidents of corruption and action taken	0	0	0

In addition, Synergy engages with relevant industry bodies and platforms to support responsible sourcing, business development, and supply chain transparency, including:

Marketing/Sustainability & Sourcing

- Forest Stewardship Council ("FSC") engagement
- PEFC engagement
- SEDEX membership for ethical sourcing and supply chain transparency

Human Resources

- Malaysian Employers Federation ("MEF")
- Human Resources Development Fund ("HRDF")

Shipping/Trade

- Federation of Malaysian Manufacturers ("FMM")
- Malaysian International Chamber of Commerce ("MICCI")
- Dewan Perniagaan Melayu Malaysia ("DPMM")

Material Topic: Anti-corruption

Align with	Governance Capital
	SDG 16: Peace, Justice, and Strong Institutions
Summary of management approach	Synergy upholds strong governance through Board oversight, zero-tolerance ethics policies, confidential reporting channels to promote ethical conduct and transparency.

Cybersecurity and Data Privacy

Synergy recognises the importance of safeguarding customer information and maintaining secure digital operations. The Group manages cybersecurity risks through the implementation of security controls, system monitoring, and ongoing improvements to its cybersecurity framework to protect sensitive data and uphold stakeholder confidence.

The Group's data protection practices are guided by its Privacy Policy and are aligned with the Personal Data Protection Act ("PDPA") 2010. Cybersecurity measures include the use of Sangfor Endpoint Protection across company devices to enhance threat detection and malware protection, supported by real-time monitoring. The Group also maintains firewall protection to regulate network traffic and reduce the risk of unauthorised access. These safeguards help ensure data confidentiality, integrity, and availability across the organisation.

Sustainability Statement (Cont'd)

GOVERNANCE (CONT'D)

Cybersecurity and Data Privacy (Cont'd)

Looking ahead, Synergy will continue to strengthen cybersecurity practices to address emerging digital threats and promote responsible handling of personal data. The Group is pleased to report that there were no substantiated complaints relating to data breaches or loss of data during the reporting year.

	2023	2024	2025
B8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer data	0	0	0

Material Topic: Cybersecurity and Data Privacy	
Align with	Governance Capital SDG 16: Peace, Justice, and Strong Institutions
Summary of management approach	Synergy safeguards customer data through PDPA-aligned policies, endpoint protection, firewall controls, and ongoing cybersecurity improvements to manage evolving digital risks.

Sustainable Supply Chain

Synergy recognises that a reliable and responsible supply chain is important to ensuring business continuity and supporting sustainable long-term growth. The Group incorporates sustainability and ethical considerations into procurement practices to encourage responsible sourcing, strengthen supplier partnerships, and manage operational and reputational risks across its value chain.

To support this, Synergy applies a supplier due diligence process covering key areas such as quality verification, pricing assessment, compliance screening, and site visits where appropriate. All new suppliers are required to complete a Vendor Registration Form, submit relevant company documentation, and sign an Anti-Bribery & Corruption ("ABC") declaration to demonstrate alignment with the Group's ethical standards. The Group also seeks to ensure that key suppliers maintain relevant certifications, such as FSC, to support the sustainable sourcing of raw materials.

The Group conducts periodic evaluations of existing suppliers based on product quality, delivery reliability, pricing consistency, and adherence to regulatory and compliance requirements. Supplier performance is monitored by the Procurement Department through regular reviews, benchmarking exercises, and ongoing engagement to ensure suppliers continue to meet the Group's expectations.

Synergy sources materials and products from both local and international suppliers depending on operational needs. Where possible, the Group prioritises local suppliers to support supply stability and responsiveness, while overseas suppliers are engaged for specialised materials or cost-efficient sourcing. This balanced sourcing strategy helps to ensure continuity, efficiency, and consistent product standards across the business.

	2023	2024	2025
B7(a) Proportion of spending on local suppliers (%)	92.23	94.78	96.50

Material Topic: Sustainable Supply Chain	
Align with	Governance Capital SDG 8: Decent Work and Economic Growth
Summary of management approach	Synergy promotes a responsible and resilient supply chain through structured supplier due diligence, ongoing performance monitoring, and ethical sourcing requirements, including ABC declarations.

Sustainability Statement (Cont'd)

CLIMATE SCENARIO ANALYSIS

Synergy has undertaken a qualitative climate scenario analysis to assess the potential impacts of climate-related risks and opportunities on the Group's business strategy, operations, and long-term value creation. The analysis supports the Group's understanding of climate resilience and informs strategic planning, risk management, and sustainability governance.

Consistent with the Group's current stage of sustainability reporting maturity and the transitional reliefs applied under the National Sustainability Reporting Framework ("NSRF"), the scenario analysis conducted during the reporting period is exploratory in nature and does not include quantified financial modelling.

Scenarios Considered

The Group considered two plausible climate-related scenarios commonly referenced under the Task Force on Climate-related Financial Disclosures ("TCFD") and IFRS S2 – Climate-related Disclosures:

Scenario	Description	Time Horizon
Orderly Transition Scenario (approximately 1.5–2°C)	Accelerated policy actions, tightening environmental regulations, and increased market demand for low-carbon and energy-efficient solutions.	Medium to long term (1–10 years)
Delayed Transition/Higher Physical Risk Scenario (above 3°C)	Slower policy response combined with increasing frequency and severity of physical climate impacts.	Medium to long term (3–10+ years)

Key Assumptions

The scenario analysis is based on the following high-level assumptions:

- Progressive tightening of environmental, energy efficiency, and sustainability-related regulatory requirements
- Increasing customer and stakeholder expectations for energy-efficient and lower-emission solutions
- No immediate implementation of carbon pricing mechanisms directly applicable to the Group during the reporting period
- Increasing exposure to physical climate risks, including extreme weather events, over time

Identified Climate-Related Risks and Opportunities

Orderly Transition Scenario

Key Risks	Key Opportunities	Strategic Implications
<ul style="list-style-type: none"> • Increased compliance, reporting and monitoring requirements • Higher operating costs arising from energy efficient standards and environmental controls 	<ul style="list-style-type: none"> • Increased demand for products produced with proven energy efficient mechanism. • Competitive advantage arising from Group's expertise in design & development which promotes efficiency in production and hence energy optimisation 	<ul style="list-style-type: none"> • Gradual shift towards outsourced suppliers with cleaner energy and efficiency focused manufacturing • Increased focus on energy monitoring, emissions management and operational efficiency • Potential long term value creation for customers with products produced in energy efficient manner.

Delayed Transition/Higher Physical Risk Scenario

Key Risks	Key Opportunities	Strategic Implications
<ul style="list-style-type: none"> • Operational disruptions caused by extreme weather events • Higher operating and contingency costs 	<ul style="list-style-type: none"> • Ensuring outsourced supplier improves working conditions for the workers due to higher temperature • Solutions on managing useability and longevity of raw materials and finished goods in higher temperature environment 	<ul style="list-style-type: none"> • Greater emphasis on operational resilience contingency planning and site level risk awareness • Integration of climate considerations and outsourced supplier readiness into consideration for supplier selection • Strengthening of adaptive measures for energy saving across operations.

Sustainability Statement (Cont'd)

CLIMATE SCENARIO ANALYSIS (CONT'D)

Resilience of the Group's Strategy

The resilience of the Group's strategy is dependent on continued enhancement of sustainability governance, data quality, and operational adaptability in response to evolving climate-related risks and regulatory developments.

Limitations and Future Development

The scenario analysis conducted for the reporting period is qualitative and does not include quantified financial impact assessments, scenario-adjusted cash flow modelling, or site-specific physical risk analysis. These limitations reflect the Group's current data availability, system readiness, and proportional application of sustainability reporting requirements applicable to an ACE Market-listed issuer.

The Group intends to progressively enhance its climate scenario analysis by strengthening data collection processes, integrating climate considerations into enterprise risk management, and developing more detailed assessments where appropriate in future reporting periods.



Sustainability Statement (Cont'd)

PERFORMANCE DATA TABLE

Date & Time: 2026-04-17 09:18:12
FYE 31/12/2025

Synergy House Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
GHG EMISSIONS	B1(a) Scope 1 emissions in tonnes of CO2e – company cars; fuel & diesel	tCO2e	94.37	—	No assurance
GHG EMISSIONS	B1(b) Scope 2 emissions in tonnes of CO2e – electrical	tCO2e	311.19	—	No assurance
GHG EMISSIONS	B1(c) Scope 3 emissions in tonnes of CO2e (staff claims – petrol and diesel, air travel, and employee commuting)	tCO2e	90.21	—	No assurance
ENVIRONMENT	B4(a) Total energy consumption	MWh	420.52	—	No assurance
ENVIRONMENT	B9(a) Total volume of water used	Megalitres	1,529	—	No assurance
SOCIAL	B6(d) Number of substantiated complaints concerning human rights violation	Number	0	—	No assurance
SOCIAL	B3(b) Percentage of directors by gender - Male	Percentage	67	—	No assurance
SOCIAL	B3(b) Percentage of directors by gender - Female	Percentage	33	—	No assurance
SOCIAL	B3(b) Percentage of directors by age group - Under 30	Percentage	0	—	No assurance
SOCIAL	B3(b) Percentage of directors by age group - 30 to 50	Percentage	50	—	No assurance
SOCIAL	B3(b) Percentage of directors by age group - above 50	Percentage	50	—	No assurance
SOCIAL	B6(b) Percentage of employees that are Full-time staff	Percentage	99	—	No assurance
SOCIAL	B6(b) Percentage of employees that are contractors or temporary staff	Percentage	1	—	No assurance
SOCIAL	B3(a) Percentage of employees by gender- Management - Male	Percentage	41	—	No assurance

Sustainability Statement (Cont'd)

PERFORMANCE DATA TABLE (CONT'D)

Date & Time: 2026-04-17 09:18:12
FYE 31/12/2025

Synergy House Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
SOCIAL	B3(a) Percentage of employees by gender - Management - Female	Percentage	59	—	No assurance
SOCIAL	B3(a) Percentage of employees by age group - Management - Below 30	Percentage	10	—	No assurance
SOCIAL	B3(a) Percentage of employees by age group - Management - 30 to 50	Percentage	76	—	No assurance
SOCIAL	B3(a) Percentage of employees by age group - Management - above 50	Percentage	14	—	No assurance
SOCIAL	B3(a) Percentage of employees by gender- Executive- Male	Percentage	43	—	No assurance
SOCIAL	B3(a) Percentage of employees by gender- Executive - Female	Percentage	57	—	No assurance
SOCIAL	B3(a) Percentage of employees by age group - Executive - Below 30	Percentage	58	—	No assurance
SOCIAL	B3(a) Percentage of employees by age group - Executive - 30 to 50	Percentage	40	—	No assurance
SOCIAL	B3(a) Percentage of employees by age group - Executive - above 50	Percentage	2	—	No assurance
SOCIAL	B3(a) Percentage of employees by gender - Non-executive/Technical Staff - Male	Percentage	78	—	No assurance
SOCIAL	B3(a) Percentage of employees by gender - Non-executive/Technical Staff - Female	Percentage	22	—	No assurance
SOCIAL	B3(a) Percentage of employees by age group - Non-executive/Technical Staff - Below 30	Percentage	64	—	No assurance
SOCIAL	B3(a) Percentage of employees by age group - Non-executive/Technical Staff - 30 to 50	Percentage	36	—	No assurance

Sustainability Statement (Cont'd)

PERFORMANCE DATA TABLE (CONT'D)

Date & Time: 2026-04-17 09:18:12
FYE 31/12/2025

Synergy House Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
SOCIAL	B6(a) Percentage of employees by age group - Non-executive/Technical Staff - above 50	Percentage	0	—	No assurance
SOCIAL	B6(a) Total hours of training by employee category -Management	Hours	232	—	No assurance
SOCIAL	B6(a) Total hours of training by employee category -Executive	Hours	205	—	No assurance
SOCIAL	B6(a) Total hours of training by employee category -Non-executive/Technical Staff	Hours	9	—	No assurance
SOCIAL	B6(a) Total hours of training by employee category -General Workers	Hours	0	—	No assurance
SOCIAL	B6(c) Total number of employee turnover by employee category -Management	Number	0	—	No assurance
SOCIAL	B6(c) Total number of employee turnover by employee category -Executive	Number	54	—	No assurance
SOCIAL	B6(c) Total number of employee turnover by employee category - Non-executive/Technical Staff	Number	15	—	No assurance
SOCIAL	B6(c) Total number of employee turnover by employee category - General Workers	Number	0	—	No assurance
SOCIAL	B5(a) Number of work-related fatalities	Number	0	—	No assurance
SOCIAL	B5(b) Lost time incident rate	Number	0	—	No assurance
SOCIAL	B5(c) Number of employees trained on health and safety standards	Number	24	—	No assurance

Sustainability Statement (Cont'd)

PERFORMANCE DATA TABLE (CONT'D)

Date & Time: 2026-04-17 09:18:12
FYE 31/12/2025

Synergy House Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
SOCIAL	B2(a) Total amount invested in the community where the target beneficiaries are external to Synergy (MYR)	MYR	8000	—	No assurance
SOCIAL	B2(b) Total number of beneficiaries of the investment in the communities	Number	1	—	No assurance
GOVERNANCE	B1(a) Percentage of employees who have received training on anti-corruption by employee category - Management	Percentage	0	—	No assurance
GOVERNANCE	B1(a) Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	0	—	No assurance
GOVERNANCE	B1(a) Percentage of employees who have received training on anti-corruption by employee category - Non-executive/Technical Staff	Percentage	0	—	No assurance
GOVERNANCE	B1(a) Percentage of employees who have received training on anti-corruption by employee category - General Workers	Percentage	0	—	No assurance
GOVERNANCE	B1(b) Percentage of operations assessed for corruption-related risks	Percentage	80	—	No assurance
GOVERNANCE	B1(c) Confirmed incidents of corruption and action taken	Number	0	—	No assurance
GOVERNANCE	B8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer data	Number	0	—	No assurance
GOVERNANCE	B7(a) Proportion of spending on local suppliers (%)	Percentage	96.50	—	No assurance

Sustainability Statement (Cont'd)

LOOKING FORWARD

Synergy is committed to strengthening its core capabilities in furniture design and development, product innovation, and customer service while responding proactively to evolving market trends and regulatory expectations. The Group will continue to invest in process improvements, technology adoption, and people development to enhance productivity, product quality, and long-term competitiveness.

Sustainability will remain an integral part of how Synergy plans, operates, and makes decisions. The Group is committed to progressively embedding ESG considerations across its operations, with continued focus on responsible sourcing, energy and resource efficiency, waste reduction, workplace safety, ethical conduct, and stakeholder engagement. Our policies and governance practices provide a strong foundation to uphold integrity, transparency, and accountability throughout the organisation and supply chain.

Looking ahead, Synergy will continue to strengthen its sustainability approach by improving data readiness, enhancing risk management processes, and aligning disclosures with evolving sustainability frameworks and regulatory requirements. Through responsible leadership and disciplined execution, Synergy aims to deliver sustainable long-term value for stakeholders while contributing positively to the communities and markets we serve. The Group recognises that the credibility of sustainability reporting depends on continuous improvements in data quality, governance, and transparency.

TCFD-ALIGNED DISCLOSURES

(As recommended by IFRS1 and IFRS2, we can continue using the TCFD recommendations)

The TCFD-aligned disclosures presented below reflect qualitative alignment with recommended disclosure areas. Quantitative scenario modelling and financial impact assessments have not been undertaken for the reporting period.

TCFD Recommendation	Synergy's Disclosure	Reference
Governance – Disclose the organisation's governance around climate-related risks and opportunities		
a) Describe the Board's oversight of climate-related risks and opportunities	<ul style="list-style-type: none"> Risk management Climate change – Board's skills and experience Sustainability Committee – role and focus 	<ul style="list-style-type: none"> Governance
b) Describe management's role in assessing and managing climate-related risks and opportunities.	<ul style="list-style-type: none"> Risk management Climate change – managing risk and opportunity Sustainability Committee – role and focus in FY 2025 	<ul style="list-style-type: none"> Governance Environmental
Strategy – Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	<ul style="list-style-type: none"> Risk management – Risk factors (climate change, greenhouse gas emissions and energy) Climate change – managing risk and opportunity 	<ul style="list-style-type: none"> Materiality Topics
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	<ul style="list-style-type: none"> Risk management – Risk factors (climate change, greenhouse gas emissions and energy) Climate change – managing risk and opportunity 	<ul style="list-style-type: none"> Materiality Topics
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<ul style="list-style-type: none"> Climate change – evaluating the resilience of our portfolio 	<ul style="list-style-type: none"> Environmental

Sustainability Statement (Cont'd)

TCFD-ALIGNED DISCLOSURES (CONT'D)

TCFD Recommendation	Synergy's Disclosure	Reference
Risk management – Disclose how the organisation identifies, assesses and manages climate-related risks		
a) Describe the organisation's processes for identifying and assessing climate-related risks.	<ul style="list-style-type: none"> Risk management 	<ul style="list-style-type: none"> Materiality Topics
b) Describe the organisation's processes for managing climate-related risks.	<ul style="list-style-type: none"> Risk management – Risk factors (climate change, greenhouse gas emissions and energy) 	<ul style="list-style-type: none"> Materiality Topics Environmental
c) Describe how processes for identifying, assessing and managing climate related risks are integrated into the organisation's overall risk management.	<ul style="list-style-type: none"> Risk management non-financial KPIs – sustainability KPIs Risk management – Risk factors (climate change, greenhouse gas emissions and energy) 	<ul style="list-style-type: none"> Materiality Topics Environmental
Metrics and targets – Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	<ul style="list-style-type: none"> Non-financial KPIs – sustainability KPIs Climate change – Operational emissions Climate change – Scope 3 emissions 	<ul style="list-style-type: none"> Environmental
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions and the related risks.	<ul style="list-style-type: none"> Non-financial KPIs – sustainability KPIs Climate change – operational emissions performance Climate change – Scope 3 emissions performance Climate change data 	<ul style="list-style-type: none"> Environmental
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	<ul style="list-style-type: none"> Non-financial KPIs – sustainability KPIs Climate change – operational emissions performance for the FY 2025 performance outcomes 	<ul style="list-style-type: none"> Environmental



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Synergy House Berhad (“Company”) recognises the importance of establishing and maintaining good corporate governance within Synergy House Berhad and its subsidiary Companies (“Group”) and is committed to upholding high standards of corporate governance.

This Corporate Governance Overview Statement provides an overview of the Company’s application of the principles and practices set out in the Malaysian Code on Corporate Governance (“MCCG” or “the Code”) and the ACE Market Listing Requirements (“AMLR” or “Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The detailed application of each practice under the Code is disclosed in the Corporate Governance Report (“CG Report”), which is issued together with this Annual Report and is available on the Company’s website at www.synergyhouseberhad.com. The CG Report sets out the manner in which the Group has applied the principles and recommendations of the Code during the financial year under review up to the date of this statement.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

Clear Functions of the Board and Management

The Company acknowledges the pivotal role played by the Board in the stewardship of its direction and operations, and ultimately the enhancement of its shareholders’ value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

All Board Committees have written terms of reference which are approved by the Board and can be found on the Company’s website at www.synergyhouseberhad.com. The Chairman of the Audit Committee (“AC”), Risk Management Committee (“RMC”), Nomination Committee (“NC”) and Remuneration Committee (“RC”) report to the Board subsequent to the respective committee meetings.

The Executive Directors are responsible for the day-to-day operations of the Company’s business and shall implement policies, strategies and decisions approved by the Board and shall be accountable for the management functions of the Company and/or Group and for the results and performance, including conduct and disciplines, which would include leadership by example.

The Independent Directors act independently of the management and do not participate in any day-to-day operations. They provide an effective check and balance and provide valuable independent assessment to the Board’s decision-making process.

Clear Roles and Responsibilities

The Board has the overall responsibility for the long-term success of the Company and delivery of sustainable value to its stakeholders. In discharging its fiduciary duties and responsibilities, the Board assumed the following corporate governance guidelines:-

- together with management, promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
- reviewing and setting a strategic plan for the Group to ensure that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- reviewing, challenging and deciding on management’s proposals for the Group, and monitoring its implementation by management;
- overseeing the conduct of the Group’s business to ensure it is properly managed, including supervising and assessing corporate behaviour and conduct of the business of the Group;
- identifying the principal risks and ensuring implementation of appropriate internal controls and mitigation measures to achieve a proper balance between risks incurred and potential returns to the shareholders;
- reviewing the information and risk management and internal control system and the effectiveness of the management;
- ensuring there is an orderly succession of senior management positions who are of high calibre and have the necessary skills and experience. The Board delegates to the NC and RC to review succession plans and remuneration packages for the Directors respectively as well as the Group’s policies and procedures on remuneration for the consultants who are employees of the Group. The Board also ensures that there are appropriate policies for training, appointment and performance monitoring of management positions;

Corporate Governance Overview Statement (Cont'd)

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

1. Board Responsibilities (Cont'd)

Clear Roles and Responsibilities (Cont'd)

- developing and implementing an investor relations programme or shareholders' communications policy for the Group to enable effective communication with stakeholders;
- reviewing and approving the AC, RMC, NC and RC reports at the end of each financial year;
- undertaking a formal and objective annual evaluation to determine the effectiveness of the Board, the Board Committees and each individual director;
- ensuring the integrity of the Company's financial and non-financial reporting; and
- reviewing and approving the financial statements and the Company's annual report.

The Board has a formal schedule of matters reserved to itself for decision, which includes the overall Group strategy and direction, acquisition and investment, consideration of significant financial matters and the review of the financial and operating performance of the Group. The schedule ensures that the governance of the Group is firmly in the Board's hand.

Formalised Ethical Standards through Code of Conduct and Ethics

The Board has adopted a Code of Conduct and Ethics which includes principles in relation to conflicts of interests, integrity, professionalism and the use of confidential information. The Board's Code of Conduct and Ethics is provided in the Board Charter, which is available on the Company's website at www.synergyhouseberhad.com.

The Group is committed to conduct its businesses and operations with integrity, openness and accountability and to also conduct its affairs in an ethical, responsible and transparent manner. To facilitate the observation and application of the above values, the Group encourages its employees to raise genuine concerns about possible improprieties in matters of financial reporting, compliance with regulatory requirements and other malpractices or misconducts.

The Group encourages employees who are facing conflicts to discuss accordingly with their superior to solve the matter in a peaceful manner. The Executive Directors are always available to be contacted by any employees with regards to matters such as corrupt practices, unethical behavior, misuse of Company's assets or any non-compliance with rules and regulations.

The Group has an official policy on whistle-blowing both internal staff and external contractors/suppliers are able to submit report anonymously of any wrongdoings or breach. Reports can be submitted via emails and phone numbers stated in the policy and confidentiality is assured. The whistle-blowing reports can be directed to the Group via a dedicated email, which will be redirected to the Audit Committee and Executive Directors. This policy is published on the Company's website at www.synergyhouseberhad.com.

Access to Information and Advice

Management has been invited to the Board and Board Committees' meetings to report or present on areas within their responsibilities to ensure the members were able to effectively discharge their responsibilities. All Directors also have full and free access to information within the Group, as well as the prerogative to seek the Company Secretaries' and independent professional advice, in furtherance of their duties, at the expense of the Group, should such advisory services be considered necessary.

Qualified and Competent Company Secretary

Directors have direct access to the advice and services of the Company Secretaries. The Company Secretaries are qualified to act in accordance with the requirements of the Companies Act 2016. The Board is advised and updated on statutory and regulatory requirements pertaining to their duties and responsibilities as well as appropriate procedures for management of meetings. The Board is supported to ensure adherence to board policies and procedures, rules, relevant laws and best practices on the Code.

Corporate Governance Overview Statement (Cont'd)

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

1. Board Responsibilities (Cont'd)

Qualified and Competent Company Secretary (Cont'd)

The Company Secretary also undertakes the following functions, among others:

- i. advise and remind the Directors of their obligations to disclose their interest in securities, any conflict of interest and related party transactions;
- ii. advise the Directors of their duties and responsibilities;
- iii. advise and remind the Directors on the prohibition on dealing in securities during closed period and the restriction on disclosure of price sensitive information;
- iv. prepare agenda items of meetings for Board and Board Committees and send to the respective Board and Board Committees; and
- v. attending all Board and Board Committee meetings and to ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolution passes are made and maintained accordingly.

The Company Secretaries are suitably qualified and have attended relevant training and seminars to keep abreast with the statutory and regulatory requirements' updates.

Board Charter

The Board has adopted a Board Charter to promote the standards of corporate governance and clarifies, amongst others, the role and responsibilities of the Board. The details of the Board Charter are available for reference at www.synergyhouseberhad.com.

Any amendment to the Board Charter can only be approved by the Board. The Board Charter was last reviewed on 15 June 2022 and would be reviewed and updated periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

2. Compositions, Independence and Diversity of the Board

Composition of the Board

The Board currently has six (6) members; comprising two (2) Executive Directors and four (4) Independent Non-Executive Directors.

The concept of independence adopted by the Board is in tandem with the definition of an independent director as stated in Rule 1.01 of the AMLR of Bursa Securities. The key element for fulfilling the criteria is the appointment of an independent Director who is not a member of management and who is free of any relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company. The Company is in compliance with Rule 15.02 of the AMLR of Bursa Securities that two directors or one-third (1/3) of the Board, whichever is the higher, are independent Directors. If the number of directors of the listed issuer is not 3 or a multiple of 3, then the number nearest 1/3 must be used.

The Directors with their different backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in areas such as finance, corporate affairs, marketing and operations. The Executive Directors, are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as co-ordinating the development and implementation of business and corporate strategies. The Independent Non-Executive Directors provide objective and independent judgement to decision making and serve as a capable check and balance for the Executive Directors. The brief profile of each Director is presented on pages 4 to 7 of the Annual Report.

The current composition of the Board meets the best practice of The Code where it states that at least half of the board comprises Independent Directors. There are altogether four (4) Independent Non-Executive Directors of total six (6) members in the Board. The four (4) Independent Non-Executive Directors are not considered employees, and there are no affiliations or situations that may influence, or give the appearance of influencing, their impartial judgement. They contribute an external viewpoint, actively question, and contribute to the refinement of strategic proposals. Additionally, they oversee Management's performance in achieving established objectives, and they closely monitor the Group's business risk profile and the accuracy of business performance reporting.

Tenure of Independent Directors

The Code recommends that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, the Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. The Board must justify and seek shareholders' approval through a two-tier voting process in accordance with the practices of the Code in the event it retains as an Independent Director, a person who has served in that capacity for more than nine (9) years.

Corporate Governance Overview Statement (Cont'd)

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

3. Board Committees Nomination Committee ("NC")

The NC assists the Board in proposing new nominees for appointment to the Board of the Company, assessing the effectiveness of Directors on an ongoing basis, and reviews the effectiveness of the Executive Directors. The NC also reviews and recommends training and orientation needs/requirements for each individual Director and ensures the same are fulfilled accordingly.

The NC is appointed by the Board and consists entirely of Independent Non-Executive Directors. It comprises the following members:-

- i. Lieu Pei Yee - *Chairperson, Independent Non-Executive Director*
- ii. Yew Yong Ling - *Member, Independent Non-Executive Director*
- iii. Yong Kim Fui - *Member, Independent Non-Executive Director*

Among others, the duties and responsibilities of the NC are as follows:-

- i. To assess and review the size, composition, mix of skills and experience, and diversity (including gender diversity) of the Board and Board Committee, and recommend to the Board for approval;
- ii. Identify, consider and recommend to the Board suitable candidates for appointment as Directors when the need arises.
- iii. Assess annually the effectiveness of the Board as a whole, Board Committees, and the contribution of each individual Director including his/her character, competence, experience and time commitment; and
- iv. Review and recommend to the Board, the development and implementation of the relevant policies and procedures on nomination related matters concerning our Group.

Members of the NC may relinquish their membership in the NC with prior written notice to the Company Secretaries, and in which case, the NC will review and recommend to the Board for approval, another Director to fill the vacancy.

The Term of Reference of the NC is included in the Board Charter and available on the Company's website at www.synergyhouseberhad.com.

The NC has full, free and unrestricted access to the Company's records, properties and personnel in carrying out its duties and responsibilities. The NC is also authorised to seek independent professional advice, subject to the approval of the Board, at the expense of the Company, in carrying out its duties. However, the NC is not authorised to implement its own recommendations but reports the same to the Board for the latter's consideration, approval and implementation.

The NC will meet at any time when the need arises. The presence of the majority of the Independent Non-Executive Directors shall form the quorum of the meeting.

Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors

a. Recruitment or New Appointment of Directors

The NC recommends to the Board, candidates for all directorships and to review the Board's policies and procedures for the selection of Board members. In making the recommendations, the NC should also consider candidates proposed by the Chairman or CEO, and within the bounds of practicability, by any other senior executive, Director or shareholder. In making its recommendations, the NC shall assess and consider the candidates':

- skills, knowledge, expertise and experience;
- professionalism;
- time commitment to effectively discharge his/her role as a director;
- contribution and performance;
- character, integrity and competence;
- boardroom diversity including gender diversity, ethnicity diversity, age group diversity; and
- in the case of candidates for the position of Independent Non-Executive Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.

The Board has implemented Director Fit and Proper Policy for the selection and re-election of Directors for Group. This policy is designed to guarantee that Directors possess the requisite qualities, competencies, and integrity essential for effectively fulfilling their roles.

New Directors are provided with comprehensive information on the Group to enable them to gain a better understanding of the Group's strategies and operations, and hence allow them to effectively contribute to the Board. The NC will ensure that a formal orientation program is in place for future new recruits to the Board.

Corporate Governance Overview Statement (Cont'd)

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

3. Board Committees (Cont'd)

Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors (Cont'd)

b. Gender, Ethnicity and Age Group Diversity Policy

The Board noted the Code recommended the establishment of boardroom gender diversity and company to take steps to ensure that women candidates are sought in its recruitment exercise for both board and senior management positions. The Board does not have a specific policy on gender, ethnicity and age group for candidates to be appointed to the Board and senior management level. The Company does not practice any form of gender, ethnicity and age group biasness as all candidates shall be given fair and equal treatment. The Board believes that there is no detriment to the Company in not adopting a formal gender, ethnicity and age group diversity policy as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Company. In identifying suitable candidates for appointment to the Board and senior management level, the NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board and senior management level. The Group currently has two (2) female members on the Board, representing >30% of the total Board Members.

c. Annual Assessment

The NC had on 16 April 2026 reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board, including core competencies of the Directors, the contribution of each individual Director as well as their character, integrity and time commitment, independence of the Independent Directors, effectiveness of the Board as a whole, and the Board Committees, and also the Directors eligible for re-election.

Self and peer evaluations had been conducted by each Individual Director and Independent Director and a summary of the evaluations was furnished to the NC prior to the NC meeting. The evaluations of the Board Committees, Independent Directors and the individual Directors produced positive results on the performance of the Board and each director.

Remuneration Committee ("RC")

The RC reviews and reports to the Board on remuneration and personnel policies, compensation and benefits programs with the aim to attract, retain and motivate individuals of the highest quality. The remuneration should be aligned with the business strategy and long-term objectives of the Company, and to reflect the Board's responsibilities, expertise and complexity of the Group's activities.

The RC shall be appointed by the Board and should only consist of non-executive directors and a majority of them must be independent directors as recommended by the Code. The members of the RC during the financial year are:-

- i. Yew Yong Ling - *Chairperson, Independent Non-Executive Director*
- ii. Yong Kim Fui - *Member, Independent Non-Executive Director*
- iii. Lieu Pei Yee - *Member, Independent Non-Executive Director*

There was one (1) remuneration meeting held during the financial year with full attendance from all the members of the Remuneration Committee.

The remuneration package of each individual Executive Director and Senior Management is structured to reflect his experience, performance and scope of responsibilities. The remuneration of Non-Executive Directors is in the form of annual fees and reflects the experience and the level of responsibilities undertaken by the Non-Executive Director concerned.

The RC has full, free and unrestricted access to the Company's records, properties and personnel in carrying out its duties and responsibilities. The RC is not authorised to implement its own recommendations but reports the same to the Board for the latter's consideration, approval and implementation.

Directors who are shareholders should abstain from voting at general meetings to approve their fees and/or benefits. Similarly, Executive Directors shall abstain from the deliberation and voting on decisions in respect of their own remuneration package which comprise monthly salary, bonuses, benefits-in-kind and other benefits. In the event where the Chairman's remuneration is to be decided, he shall abstain from discussion and voting. The remuneration and entitlements of Non-Executive Directors should be endorsed by the Board for approval by the shareholders at general meeting. The individuals concerned should abstain from discussions pertaining to their own remuneration.

The activities of the RC are developed from year to year by the Committee in consultation with the Board.

Corporate Governance Overview Statement (Cont'd)

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

3. Board Committees (Cont'd)

Directors' Remuneration and Benefits

The details of the Directors' remuneration and benefits received and receivable by Executive and Non-Executive Directors during the financial year under review is as follows:

	Salary (RM'000)	Bonus (RM'000)	Benefits In-Kind (RM'000)	Fee (RM'000)	Other Emoluments (RM'000)	Total (RM'000)
Executive Directors						
Tan Eu Tah	720	-	8.8	-	87.8	816.6
Teh Yee Luen	720	-	6.5	-	87.8	814.3
Non-Executive Directors						
Mok Juan Chek	-	-	-	72	-	72
Yew Yong Ling	-	-	-	60	-	60
Lieu Pei Yee	-	-	-	60	-	60
Yong Kim Fui	-	-	-	60	-	60

Key Management Personnel's Remuneration and Benefits

The remuneration and benefits received and receivable by Key Management Personnel's during the financial year under review in bands of RM50,000 is as follows:

Name	Position	Remuneration (RM'000)
Ng Boon Kean Kenneth	Chief Financial Officer	350-400
Tan Yee Chi	Chief Marketing Officer	400-450
Richie Tan Qi Guang	Chief Operating Officer	350-400

Board Meetings

The Board usually meets at least four (4) times a year at quarterly intervals with additional meetings convened when necessary. During the financial year, the Board met on five (5) occasions; where it deliberated on matters such as the Group's financial results, major investments and strategic decisions, its business plan, corporate finance and developments and the strategic direction of the Group among others. Board meetings for each year are scheduled in advance before the end of the preceding year in order for Directors to plan their schedules.

The record of the Directors' attendance at Board Meetings for the financial year ended 31 December 2025 is contained in the table below:

No	Director	Board Attendance
1	Mok Juan Chek - <i>Independent Non-Executive Director (Chairman)</i>	5/5
2	Tan Eu Tah - <i>Executive Director</i>	5/5
3	Teh Yee Luen - <i>Executive Director</i>	5/5
4	Yew Yong Ling - <i>Independent Non-Executive Director</i>	5/5
5	Lieu Pei Yee - <i>Independent Non-Executive Director</i>	5/5
6	Yong Kim Fui - <i>Independent Non-Executive Director</i>	5/5

Corporate Governance Overview Statement (Cont'd)

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

3. Board Committees (Cont'd)

Directors' Training

The Directors attended courses, seminars, conferences and talks to enhance their skill sets and knowledge to enable them to carry out their duties and discharge their responsibilities as Directors of the Company. The Directors kept themselves updated with the changes in the business and regulations through sharing and discussion in official Board meetings and unofficially through small group discussions among the Directors.

The following training programmes were attended by the Directors during the FYE 2025:

Name of Director	Courses / Training Programmes Attended
Mok Juan Chek	<ul style="list-style-type: none"> • Malaysia Market Outlook for 1Q 2025 • Malaysian Oil & Gas Sector • China Equity Outlook :Tech AI, Stimulus & Tariff risk • Trump Tariffs :How has the World changed • Malaysian Markets Outlook for 2Q 2025 • Anti Bribery and Corruption Awareness • Malaysia Market Outlook for Q3 2025 • Governance in an era of Trade uncertainties • Technology Sector Outlook • ESG symposium Adopting IFRS S1 and S2 • Malaysia Market Outlook for 4Q 2025 • Leading for Impact Alumni Sharing and Networking • Audit Oversight Board's conversation with Audit Committee • Conduct of Directors and Common breaches • New Disclosure Requirements for Shariah Screening
Tan Eu Tah	<ul style="list-style-type: none"> • Enhanced COI Framework (Updated Edition) • Conduct of Directors and Common Breaches of the Listing Requirements • AI Powered Leadership Conference • Building Resilient & Sustainable Family Businesses
Teh Yee Luen	<ul style="list-style-type: none"> • Enhanced COI Framework (Updated Edition)
Yew Yong Ling	<ul style="list-style-type: none"> • Enhanced COI Framework (Updated Edition) • Conduct of Directors and Common Breaches of the Listing Requirements
Lieu Pei Yee	<ul style="list-style-type: none"> • Enhanced COI Framework (Updated Edition) • Conduct of Directors and Common Breaches of the Listing Requirements
Yong Kim Fui	<ul style="list-style-type: none"> • Conduct of Directors and Common Breaches of the Listing Requirements • MIA International Accountants Conference 2025 - Collaborative Leadership for a Sustainable Future

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee ("AC")

The Audit Committee was established by the Board to support its oversight of the financial reporting process and to monitor the accuracy and integrity of the Group's annual and quarterly financial statements. Additionally, the AC evaluates the performance of both external and internal audits to ensure the efficiency and effectiveness of the Group's operations. It assesses the adequacy of internal control systems, compliance with established policies and procedures, transparency in decision-making processes, and the accountability of financial and management information.

The present members of the Audit Committee are:

- i. Yong Kim Fui - *Chairman, Independent Non-Executive Director*
- ii. Yew Yong Ling - *Member, Independent Non-Executive Director*
- iii. Lieu Pei Yee - *Member, Independent Non-Executive Director*

Corporate Governance Overview Statement (Cont'd)

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

1. Audit Committee ("AC") (Cont'd)

The AC comprises of three (3) members, all of whom are Independent Non-Executive Directors of which the terms of reference were approved by the Board and a copy of the terms of reference can be found in the Board Charter which is available on the Company website at www.synergyhouseberhad.com. To ensure the overall effectiveness and independence of the AC, the positions of the Chairman of the Board and Chairman of the AC are held by different persons.

The Board is assisted by the AC to oversee the Group's financial reporting processes and the quality of its financial reporting and to ensure that the financial statements of the Group and the Company comply with applicable financial reporting standards in Malaysia. Such financial statements comprise the quarterly financial report announced to Bursa Securities and the annual audited financial statements. A statement by the Board of its responsibilities (Directors' Responsibility Statement) in respect of the preparation of the annual audited financial statements is set out on page 62 of this Annual Report.

Through the annual audited financial statements, the quarterly financial results as well as the Chairman's statement and review of operations in the Annual Report, the Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects.

The AC oversees and appraises the quality of the audits conducted by the Company's external auditors; maintain open lines of communication between the Board and external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and assess the adequacy of the risk management systems and internal control environment as well as the financial reporting systems based on audit feedback from the external auditors. The representatives of Messrs Crowe Malaysia PLT were invited to the AC meetings to present annual audit findings for the respective reporting period specifically on financial matters and the integrity of systems that relate to financial aspects of the Company from time to time.

2. Risk Management and Internal Control

The Board ensures that there is an on-going process of identifying, evaluating and managing the significant risks via the examination of principal business risks in critical areas, assessing the likelihood of material exposures and the identification of measures taken to mitigate, avoid or reduce these risks are undertaken by the Executive Directors and senior management through meeting held during the financial year. Kindly refer to pages 53 to 56 of the Annual Report on the Statement on Risk Management and Internal Control for more information.

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

1. Communication with Stakeholders

The Board acknowledges the importance of accountability and timely communications with its shareholders and stakeholders and recognises their rights to be well informed on the activities and performance of the Group and to make their own evaluation and investment decision. The Board would ensure compliance with the disclosure requirements as set out in the AMLR of Bursa Securities at all time. The Annual Report and announcements in Bursa Securities remains the principal form of communication by providing shareholders and stakeholders with an overview of the Group's activities and performances. All information to shareholders is available electronically as soon as it is announced or published. Other modes of communications are via the Annual General Meeting as well as the Group's website at www.synergyhouseberhad.com.

2. Conduct of General Meeting

The Annual General Meeting ("AGM") and any other general meeting are the principal forum for dialogue with the shareholders and investors. In 2026, the Fourth (4th) AGM will be conducted physically at Boardroom, Lot 18A & 18B, Level 18 Top Glove Tower, No.16, Persiaran Setia Dagang, Setia Alam, 40170 Shah Alam, Selangor on 22 May 2026 to provide an opportunity for shareholders to participate at the AGM and pose relevant questions to the Chairman and the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

In line with the Malaysian Code on Corporate Governance (“MCCG”), Rule 15.26(b) of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad, and guided by the Statement on Risk Management & Internal Control Guidelines for Directors of Listed Companies (SORMIC Guide 2025), the Board of Synergy House Berhad (“the Company”) and its subsidiaries (“the Group”) is committed to overseeing risk management and internal control to safeguard the Group's assets.

This statement outlines the nature and scope of the risk management and internal control framework adopted by the Group for the financial year ending 31 December 2025 (“FYE 2025”).

BOARD RESPONSIBILITY

The Board of Directors acknowledges its responsibility for ensuring the adequacy and effectiveness of the Group's risk management and internal control system, encompassing financial, operational, and regulatory compliance. This includes establishing a structured framework to identify, assess, and mitigate risks that could impede the achievement of business objectives and strategies. The Board commits to regularly reviewing and updating these systems to ensure their sufficiency and effectiveness.

The Board fully supports the Group's risk management framework. Key responsibilities for implementing this framework across all business operations are delegated to the Risk Management Committee (“RMC”), the Internal Control Department and the respective Business/Operations Heads.

During FYE 2025, the RMC reviewed, appraised, and assessed the controls and actions in place to mitigate and manage the Group's overall risk exposure, including risks such as margin pressure resulting from the imposition of tariffs, cybersecurity vulnerabilities, market fluctuations, and foreign exchange risks. The RMC raised issues of concern and recommended mitigating actions. A summary of its deliberations and decisions was presented to the Board on a quarterly basis.

During the financial year, the adequacy and effectiveness of the system of internal controls was reviewed by the Audit Committee (“AC”) in relation to the internal audits conducted by outsourced audit firms, Talent League Sdn Bhd (“internal audit”), covering operational, financial, and compliance controls, as well as control issues reported by the external auditors. The Audit Committee deliberated on the audit issues and the actions taken by Management, and a summary of these deliberations was presented to the Board.

While the Group recognizes that no risk management and internal control system can provide absolute assurance against all potential risks, including fraud, we are committed to continually enhancing our systems to mitigate risks effectively and adapt to evolving challenges. Our aim is to provide reasonable assurance through robust controls and continuous improvement.

RISK MANAGEMENT FRAMEWORK

The Group has implemented an Enterprise Risk Management (“ERM”) Framework to address a spectrum of activities that assess the inherent risk profile inherent in the business's nature. As a failure to adequately address these risks could compromise the Group's objectives and sustainability. The framework classifies risks concerning strategic, operational, financial, and compliance aspects, in line with the Group's business objectives.

The Board reiterates its endorsement of the Group's risk management framework and maintains continuous oversight of organisational risks and opportunities, with the assistance of the RMC. This oversight includes periodic reviews to ensure the integrity of systems and controls for identifying, analysing, evaluating, managing, and monitoring significant financial and non-financial risks.

Primary responsibility and accountability on ensuring the risk management framework and internal controls are applied across the Group is overseen by the Executive Director (“ED”) and supported by the Chief Finance Officer (“CFO”), as well as the rest of the members in the RMC. The Board receives reasonable assurance on the effectiveness of the Group's risk management practices and internal control systems as reported and advised by the RMC.

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

RISK MANAGEMENT FRAMEWORK (CONT'D)

The RMC comprises representatives from the Board of Directors who are guided by formalised risk reporting and operational feedback provided by the Internal Control Department. The overall risk reporting process is conducted on a quarterly basis with emphasis on three key focus areas:

- **Risk Register**
Encompassing significant and potential risks
- **Risk Rating**
Recording changes in risk status upon the implementation of mitigation measures; and
- **Risk Profile**
Highlighting new identified risk, significant risks and mitigating controls pertinent to the operations of the Group

Throughout the financial year, any significant risks highlighted by respective Head of Departments within the organisation are monitored and analysed by the Internal Control Department and reported to the RMC for their deliberation and management decision.

The Board endorses a clear and defined risk organisation structure that outlines key responsibilities held by respective groups as defined below:

Roles & Responsibility	
Board of Directors	<ul style="list-style-type: none"> • Identify principal risks and ensure implementation of appropriate systems to manage these risks. • Approve risk management philosophy; and • Communication with external shareholders and other stakeholders and • Review the risk profile of the Group
Risk Management Committee ("RMC")	<ul style="list-style-type: none"> • Review and recommend risk management strategies, policies and risk appetite/tolerance for board's approval • Review and assess adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risk and the extent to which these are operating effectively; and • Review management's periodic Group Risk Profile reports on risk exposure and risk management activities
Internal Control Department ("Internal Control")	<ul style="list-style-type: none"> • Review adequacy and effectiveness of risk management process and system • Review and present to the RMC, the broad terms risk guidelines and risk appetite of the Group on a quarterly basis • Review identified key risks of the Group's operations • Report to the RMC on material and pervasive findings which exceeded the risk appetite • Guide Business/Operations Head in identifying, evaluating and managing key risks; and • Monitor progress of action plans to address key risks identified
Risk owners (Head of Department/ Head of Divisions)	<ul style="list-style-type: none"> • Implements the risk management processes approved by the Board • Submits quarterly updates via the risk register to the Internal Control • Identifies potential and actual risks associated to their respective process; highlights the risk in the risk register and make appropriate recommendations and controls to mitigate the risk

INTERNAL AUDIT FUNCTION

The Group has appointed Talent League Sdn Bhd ("Internal Audit") as its outsourced internal audit firm to provide independent, objective, and reasonable assurance in assessing and improving the effectiveness of risk management, internal control, and governance processes. Through a systematic and disciplined approach, the internal audit function assists the Group in achieving its objectives while enhancing the overall efficiency of operations.

The Audit Committee ("AC") holds regular meetings to review internal audit findings, deliberate on recommendations, and report key matters to the Board of Directors. To ensure comprehensive audit coverage, internal audit assignments are prioritized based on risk assessment results, the audit cycle, and discussions with Senior Management.

Furthermore, the Internal Audit team conducts follow-up reviews to assess the implementation status of management's action plans. Any key concerns, along with management's responses and corrective actions, are reported directly to the AC to ensure that internal control deficiencies are addressed in a timely and effective manner.

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

KEY INTERNAL CONTROL SYSTEMS AND STRUCTURE

The Board and Management of the Group has put in place the following key internal controls to ensure that the Group's objectives and operational effectiveness:

Board Committee

In undertaking its oversight function, the Board is supported by four Board Committees whose responsibilities are outlined by specific terms of reference and authority assigned for areas within their scope.

These Committees are:

Committee and Responsibility	
Audit Committee ("AC")	<p>The AC is a key subcommittee of a company's board of directors, responsible for overseeing financial reporting, internal controls, risk management, and compliance.</p> <p>Its primary role is to ensure the integrity of financial statements, promote transparency, and safeguard the interests of shareholders.</p>
Risk Management Committee ("RMC")	<p>The RMC is a specialized subcommittee of the board of directors responsible for overseeing the organisation's risk management framework.</p> <p>Its primary role is to ensure that the company identifies, assesses, manages, and mitigates risks effectively to protect shareholder value and achieve strategic objectives.</p>
Remuneration Committee ("RC")	<p>The Remuneration Committee is a subcommittee of the board of directors responsible for overseeing higher executive and director compensation policies and practices.</p> <p>Its primary role is to ensure that compensation is aligned with the company's strategic goals, performance, and shareholder interests, while also complying with legal and regulatory requirements.</p>
Nomination Committee ("NC")	<p>The Nomination Committee is a subcommittee of the board of directors responsible for overseeing the composition, structure, and effectiveness of the board.</p> <p>Its primary role is to ensure that the board has the right mix of skills, experience, and diversity to effectively govern the organisation and achieve its strategic objectives.</p>

The Board Committees report to the Board and in line with their respective terms of reference and authorisation of limits granted by the Board, the Board Committees will either approve or propose recommendations for the Board's decisions. The structure, terms of reference of these committees are periodically reviewed to ensure that they remain effective and aligned to the Group's needs.

Board Meetings

Board Meetings are held quarterly with a formal meeting agenda on matters for deliberation and discussion. Board papers are distributed prior to the Board meetings and Board members are provided with access to all relevant information.

Group and Organisational Structure

The Group has an organisation structure that clearly defines the reporting lines, roles and responsibilities, accountability and authority from Board and Management to operational levels. The effectiveness of the organisational structure is assessed regularly, and enhancements will be implemented as and when necessary.

Regular management and operation meetings are conducted by Senior Management which comprises the Group Executive Director, Chief Operation Officer, Chief Financial Officer, and department/divisional heads.

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

KEY INTERNAL CONTROL SYSTEMS AND STRUCTURE (CONT'D)

Authority Limits and Approved Policies

The Group has instituted clearly defined organisational roles, responsibilities and authorities via the approved Chart of Authority ("COA") and Standard Operating Procedures ("SOP"). The COA is reviewed on a periodic basis and updated in line with changes in the organisation.

SOP are documented and formalised and is continuously reviewed to ensure compliance with internal controls, relevant laws and regulations. Internal control activities have been established in all departments with clearly defined lines of responsibilities, authority limits for procurement and capital expenditure, awarding of contracts, authority limits for approving operating expenditures and other significant transactions, segregation of duties, performance monitoring and safeguarding of assets.

Integrity Management

An Anti-Corruption policy and procedures that is aligned with the Malaysian Anti-Corruption Act 2009, adopted since 24 February 2023, was last reviewed and approved by the Board of Directors on 26 February 2025. This Anti-Corruption policy defines the responsibilities of all group members in preventing bribery and corruption, by setting out the required standards of behaviour, reporting procedures, and the consequences of non-compliance, in order to maintain the groups ethical business practices, and legal compliance.

A Conflict-of-Interest Policy has been established and was last approved by the Board of Directors on 20 November 2024. This policy outlines the responsibilities for identifying, disclosing, and managing conflicts of interest, including those related to gifts and hospitality, to ensure the Group's integrity and impartial decision-making.

A Whistleblowing Policy has been established and was last approved by the Board of Directors on 17 April 2025. The policy provides clarity of oversight of the whistleblowing process, protection and confidentiality to whistle-blowers. The policy sets out a protocol for employees and stakeholders to raise genuine possibilities of improprieties, malpractices and misconduct within the Group for remedial action.

The abovementioned policies are available for reference on the Company's website at <https://synergyhouseberhad.com/corporate-governance>.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

[Pursuant to Rule 15.23 of the ACE Market Listing Requirements ("AMLR") of Bursa Securities, the external auditors conducted a limited assurance engagement on the Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ending 31 December [2025]. Their review adhered to the guidelines outlined in the Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants. It should be noted that under AAPG 3, auditors are not required to provide an opinion on the adequacy and effectiveness of the Group's risk management and internal control system.

Based on their prescribed procedures, the external auditors communicated to the Board of Directors that they did not identify any matters that would lead them to believe that the Statement on Risk Management and Internal Control contains material deviations from the disclosures required by Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies (SORMIC Guide 2025), nor that the Statement on Risk Management and Internal Control is factually inaccurate.

CONCLUSION

The Board has received assurance from the Executive Director and senior management that, based on established risk assessment criteria, the Group's existing risk management and internal control system is operating effectively in material aspects to meet the Group's objectives for the financial year. Management has also committed to ongoing reviews and enhancements of the risk management and internal control system to ensure its continued adequacy and robustness.

After considering the assurance from Management and input from internal audit, external audit, and the board subcommittee, the Board concludes that the Group's risk management and internal control system, as implemented during the financial year, is adequate and effective in safeguarding the interests of shareholders and the assets of the Group.

AUDIT COMMITTEE REPORT

The Audit Committee (“AC”) currently comprises three (3) members, who are Independent Non-Executive Directors of our Company. The AC meets the requirement of Rules 15.09 and 15.10 of ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) as well as Practice Note 9.4 (Step Up) of the Malaysian Code on Corporate Governance (“MCCG”).

Chairman	Yong Kim Fui - <i>Independent Non-Executive Director</i>
Member	Yew Yong Ling - <i>Independent Non-Executive Director</i>
	Lieu Pei Yee - <i>Independent Non-Executive Director</i>

TERMS OF REFERENCE

The Terms of Reference (“TOR”) of the Company will be reviewed from time to time to ensure its effectiveness and relevance to the Board’s objective. The TOR of the AC is available on our corporate website www.synergyhouseberhad.com.

MEETING AND ATTENDANCE

The details of attendance of Audit Committee members at the AC meetings held during the financial year ended 31 December 2025 (“FYE 2025”) are as follows:

Name of Committee Members	Position	No. of Meetings Attended
Yong Kim Fui	Chairman, <i>Independent Non-Executive Director</i>	5/5
Yew Yong Ling	Member, <i>Independent Non-Executive Director</i>	5/5
Lieu Pei Yee	Member, <i>Independent Non-Executive Director</i>	5/5

The AC reviews the unaudited quarterly financial results and reports by the External Auditor on the year-end audit procedures to ensure that the financial statements were prepared in compliance with the Malaysian Financial Reporting Standard (“MFRS”) 134 and the relevant Listing Requirements. The Executive Directors and key management were invited to attend the meeting to provide clarifications and information required of the Company.

SUMMARY OF ACTIVITIES

The main activities carried out by the AC in line with its TOR during FYE 2025 are summarized as below:

a. Financial Reporting

- i. Reviewed the quarterly unaudited financial results of the Group for an announcement to Bursa Securities before recommending them for the Board’s approval. The review was to ensure that the unaudited quarterly financial results were prepared in accordance with the requirements of MFRS 134, International Accounting Standard 34: Interim Financial Reporting, and provisions of the Listing Requirements of Bursa Securities; and
- ii. Reviewed for any related party transactions entered into by the Group and any conflict of interest situation that may arise within the Group;

b. External Audit

- i. Reviewed and approved the External Auditors assessment policy which is published in the Group’s website at www.synergyhouseberhad.com;
- ii. Assessed on 16 April 2026 the performance, suitability, objectivity and independence of Crowe Malaysia PLT (“Crowe”) based on an assessment questionnaire which took into consideration criteria such as the quality of services, sufficiency of resources, and trained professional staff assigned to the audit;

Audit Committee Report (Cont'd)

SUMMARY OF ACTIVITIES (CONT'D)

b. External Audit (Cont'd)

- iii. Reviewed and discussed with the External Auditors, Crowe's audit planning memorandum for the financial year ended 31 December 2025, outlining the auditors' engagement and reporting responsibilities, audit approach, materiality and performance materiality, areas of significant auditors' attention, engagement team, as well as reporting, deliverables and audit fees;
- iv. Held private sessions with the External Auditors without the presence of the Executive Directors and management in November 2025 and February 2026; and
- v. Reviewed the audit fee for FYE 2025 and recommended the audit fee to the Board for approval in April 2026.

c. Internal Audit

- i. Reviewed the reports by internal auditors, representations made and corrective actions taken by the management in addressing and resolving issues as well as ensuring that all issues were adequately addressed on a timely basis;
- ii. Reviewed the follow-up reports from the internal audit to ensure the issues were appropriately addressed on a timely basis;
- iii. Reviewed the adequacy, scope, function, competency and resources of Internal Audit function; and
- iv. Assessed the adequacy of scope, functions, competency and resources of the Internal Audit function at its meeting held on 16 April 2026.

Based on the above, where appropriate, the AC will seek further detailed clarifications from the management team to understand the matter in depth prior to making any decisions or recommendations.

Internal Audit function

The Group has outsourced its internal audit function to an independent external party, Talent League Sdn. Bhd. which reports directly to the AC. The AC reviews the internal audit function and monitors its relationship with the Internal Auditor, including plans and performance. It reviews and assesses the quarterly Internal Audit reports together with management's actions on findings to gain assurance as to the effectiveness of the internal control framework throughout the Group. The total cost incurred in relation to the Group's outsourced internal audit function during FYE 2025 was RM44,000.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM THE LISTING EXERCISE

The Company did not undertake any corporate exercise to raise funds during the financial year ended 31 December 2025 ("FYE 2025").

2. AUDIT AND NON-AUDIT FEES

During FYE 2025, the audit fees and non-audit fees paid/payable to the Company's external auditors or a firm or corporation affiliated to the auditors' firm as follows:

	Group RM'000	Company RM'000
Audit fees	138	36
Non-audit fees	5	5
	143	41

3. MATERIAL CONTRACTS INVOLVING THE INTEREST OF THE DIRECTORS AND MAJOR SHAREHOLDERS

There were no material contracts (not being contracts entered into in the ordinary course of business) either subsisting as at the financial year end or entered into since the end of the previous financial year by the Company and its subsidiaries involving the interest of the directors and major shareholders.

4. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

There were no recurrent related party transactions of a revenue or trading nature which requires shareholders' mandate during the FYE 2025.

5. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to the amendments to Bursa Malaysia Securities Berhad ACE 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	310,950	392,418
Other Income	4,803	10,206
Interest Income	333	713
Dividend Income from short term investments	878	882
Total Income	316,964	404,219
Total Assets	227,650	281,171

Additional Compliance Information (Cont'd)

5. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

(b) Business Activities

		Group	
Shariah Non-Compliant Activities	Remarks	2025 RM'000	2024 RM'000
Interest Income	Conventional	327	710
Dividend Income from short term investments	Conventional	878	882
Total		1,205	1,592

(c) Cash Component

		Group	
Islamic Accounts/Instruments		2025 RM'000	2024 RM'000
Cash and bank		2,237	367
Short term investments		1,161	233
Total Cash		3,398	600

		Group	
Conventional Accounts/Instruments		2025 RM'000	2024 RM'000
Cash and bank		25,772	28,000
Short term investments		12,902	47,281
Petty cash		5	6
Total Cash		38,679	75,287

(d) Debt Component

		Group	
Islamic Financing		2025 RM'000	2024 RM'000
Current		9,386	6,170
Non-Current		10,702	12,003
Total Financing		20,088	18,173

		Group	
Conventional Borrowing		2025 RM'000	2024 RM'000
Current		21,886	56,678
Non-Current		11,445	11,843
Total Financing		33,331	68,521

Additional Compliance Information (Cont'd)

6. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

At an Extraordinary General Meeting held on 22 January 2025, the Company's shareholders approved the establishment of ESOS involving up to 2.5% of the total number of issued shares of the Company for the eligible employees of the Group (excluding dormant subsidiary companies). The ESOS shall be in force for a period of ten (10) years and shall be governed by the ESOS By-Laws. ESOS options shall be exercisable in accordance with the provisions of the By-Laws during the option period commencing on the offer date up to the date of expiry of the ESOS subject to the relevant vesting periods of the options.

The salient features of the ESOS are as follows:

- (a) The maximum number of new ordinary shares which may be allotted and issued under the ESOS shall not exceed, in aggregate, 2.5% of the total number of issued shares of the Company at any point of time during the duration of the ESOS.
- (b) Eligible persons are employees of the Group, who as at the date of offer, have attained the age of eighteen years, are confirmed in service and employed on a full-time basis on the payroll of the Group, are not undischarged bankrupts nor subject to any bankruptcy proceedings, and who satisfy such other criteria or fall within such category as may be determined at the sole and absolute discretion of the ESOS Committee.
- (c) The exercise price of the ESOS options shall be determined by the Board upon the recommendation of the ESOS Committee based on the 5-day volume weighted average market price of the shares of the Company immediately preceding the offer date of the option, with a discount of not more than 10%.
- (d) Not more than 10% of the total number of new ordinary shares to be issued under the ESOS shall be allocated to any eligible employee who, either singly or collectively through persons connected to him/her, holds 20% or more of the total number of issued shares of the Company.
- (e) Not more than 60% of the total number of new ordinary shares to be issued under the ESOS shall be allocated in aggregate to the senior management of the Group. The directors of the Group are not eligible to participate in the ESOS.
- (f) All new ordinary shares issued upon exercise of the options offered under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so allotted and issued, will not be entitled to any dividends, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to date of allotment and issuance of the new ordinary shares.

On 24 January 2025, the Company offered 5,180,000 ESOS options. The options offered were for the subscription of new ordinary shares, the exercise price and the number of share option exercisable as at end of the reporting period are as follows:

Offer Date	Exercise Price (RM)	Number of Options for Ordinary Shares					
		As at 1 January 2025	Offered	Vested	Exercised	Lapsed	As at 31 December 2025
24 January 2025	0.98	-	5,180,000	-	-	-	5,180,000

Category	Participants	Options Offered		Options Vested		Options Exercised	
		Quantity	Percentage	Quantity	Percentage	Quantity	Percentage
Senior Management	3	1,020,000	20%	-	-	-	-
Other Eligible Employees	21	4,160,000	80%	-	-	-	-

The Directors of the Group are not eligible to participate in the ESOS.

DIRECTORS' RESPONSIBILITY

STATEMENT IN RESPECT OF THE ANNUAL AUDITED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of financial statements in accordance with the applicable MFRS, IFRS, the provisions of the Act as well as the AMLR of Bursa Securities.

The Directors are responsible to ensure that financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at the end of the financial year, and of the financial performance and cash flows for the financial year.

In ensuring the preparation of these financial statements of Synergy House Berhad, the Directors have ensured the following:-

- Adopted suitable accounting policies and apply them consistently;
- Made judgments and estimates that are reasonable and prudent; and
- Making of judgments and estimates that are appropriate, reasonable and prudent.

The Directors are responsible for ensuring that proper accounting and other records are kept which disclose with reasonable accuracy the financial position of the Company and ensuring that the financial statements comply with the provisions of the Companies Act 2016.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group, and to prevent and detect fraud and other such irregularities.



REPORTS AND FINANCIAL STATEMENTS

Directors'
Report

64

Statement
by Directors

70

Statutory
Declaration

70

Independent
Auditors'
Report

71

Statements
of Financial
Position

74

Statements of
Profit or Loss
and Other
Comprehensive
Income

75

Statements
of Changes
in Equity

76

Statements of
Cash Flows

78

Notes to the
Financial
Statements

80

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holdings.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the holding company in each subsidiary company are set out in the "Subsidiaries" section of this report.

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

RESULTS

	The Group RM	The Company RM
Profit after tax for the financial year	4,317,158	3,173,383
Attributable to:		
Owners of the Company	4,317,158	3,173,383

DIVIDENDS

The Company paid a second interim dividend of 0.74 sen per ordinary share amounting to RM3,700,000 for the financial year ended 31 December 2024 on 27 March 2025.

The directors do not recommend the payment of any further dividends for the financial year.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company except for the share options granted pursuant to the Company's Employee Share Option Scheme below.

Directors' Report (Cont'd)

EMPLOYEE SHARE OPTION SCHEME ("ESOS")

At an Extraordinary General Meeting held on 22 January 2025, the Company's shareholders approved the establishment of ESOS involving up to 2.5% of the total number of issued shares of the Company for the eligible employees of the Group (excluding dormant subsidiary companies). The ESOS shall be in force for a period of ten (10) years and shall be governed by the ESOS By-Laws. ESOS options shall be exercisable in accordance with the provisions of the By-Laws during the option period commencing on the offer date up to the date of expiry of the ESOS subject to the relevant vesting periods of the options.

The salient features of the ESOS are as follows:

- (a) The maximum number of new ordinary shares which may be allotted and issued under the ESOS shall not exceed, in aggregate, 2.5% of the total number of issued shares of the Company at any point of time during the duration of the ESOS.
- (b) Eligible persons are employees of the Group, who as at the date of offer, have attained the age of eighteen years, are confirmed in service and employed on a full-time basis on the payroll of the Group, are not undischarged bankrupts nor subject to any bankruptcy proceedings, and who satisfy such other criteria or fall within such category as may be determined at the sole and absolute discretion of the ESOS Committee.
- (c) The exercise price of the ESOS options shall be determined by the Board upon the recommendation of the ESOS Committee based on the 5-day volume weighted average market price of the shares of the Company immediately preceding the offer date of the option, with a discount of not more than 10%.
- (d) Not more than 10% of the total number of new ordinary shares to be issued under the ESOS shall be allocated to any eligible employee who, either singly or collectively through persons connected to him/her, holds 20% or more of the total number of issued shares of the Company.
- (e) Not more than 60% of the total number of new ordinary shares to be issued under the ESOS shall be allocated in aggregate to the senior management of the Group. The directors of the Group are not eligible to participate in the ESOS.
- (f) All new ordinary shares issued upon exercise of the options offered under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so allotted and issued, will not be entitled to any dividends, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to date of allotment and issuance of the new ordinary shares.

On 24 January 2025, the Company offered 5,180,000 ESOS options. The options offered were for the subscription of new ordinary shares, the exercise price and the number of share options exercisable as at end of the reporting period are as follows:

Offer date	Exercise price RM	Number of Options over Ordinary Shares					At 31.12.2025
		At 01.01.2025	Offered	Vested	Exercised	Lapsed	
24.01.2025	0.98	-	5,180,000	-	-	-	5,180,000

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, 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 impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

Directors' Report (Cont'd)

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, 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 value as shown in the accounting records of the Group and of the Company, have 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 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 methods 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:

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

No contingent or other liability of the Group and 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, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations 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 AN UNUSUAL NATURE

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, 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.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:

Tan Eu Tah*
Teh Yee Luen*
Mok Juan Chek
Yew Yong Ling
Lieu Pei Yee
Yong Kim Fui

* Directors of the Company and the subsidiaries

Directors' Report (Cont'd)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:

The Company

		At	Number of Ordinary Shares		At
		01.01.2025	Bought	Sold	31.12.2025
Tan Eu Tah	- Direct	1,076,100	282,200	-	1,358,300
	- Indirect ⁽¹⁾	370,000,000	-	-	370,000,000
Teh Yee Luen	- Direct	1,488,000	-	-	1,488,000
	- Indirect ⁽¹⁾	370,000,000	-	-	370,000,000
Mok Juan Chek	- Direct	125,000	-	-	125,000
Yew Yong Ling	- Direct	125,000	-	-	125,000
Lieu Pei Yee	- Direct	78,000	-	-	78,000
Yong Kim Fui	- Direct	125,000	-	-	125,000

Holding company - Synergy House Furniture Holdings Sdn. Bhd. ("SHFH")

		At	Number of Ordinary Shares		At
		01.01.2025	Bought	Sold	31.12.2025
Tan Eu Tah		500	20	-	520
Teh Yee Luen		500	35	-	535

Notes:

⁽¹⁾ Deemed interest by virtue of his direct interests in SHFH.

By virtue of their shareholdings in SHFH, Tan Eu Tah and Teh Yee Luen are deemed to have interests in shares in its related corporations during the financial year to the extent of SHFH's interests, in accordance with Section 8 of the Companies Act 2016.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" section of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from the following transactions:

	The Group RM
Companies in which the directors have substantial financial interest	
Rental expenses	111,540

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose 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 other than the share options granted to certain directors pursuant to the ESOS of the Company.

Directors' Report (Cont'd)

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:

	From the Company RM	From the subsidiaries RM
Fees	252,000	-
Salaries, bonuses and other benefits	-	1,442,785
Contributions to defined contribution plan	-	172,800
	252,000	1,615,585
Estimated monetary value of benefits-in-kind	-	15,300

INDEMNITY AND INSURANCE COST

During the financial year, the amount of insurance effected for the directors and officers of the Company and its subsidiaries was RM 5,000,000.

No indemnity was given to or insurance effected for the auditors of the Company.

SUBSIDIARIES

(a) The details of the Company's subsidiaries are as follows:

Name of subsidiaries	Principal place of business and country of incorporation	Percentage of issued share capital held by parent %	Principal activities
<i>Subsidiaries of the Company</i>			
Synergy House Furniture Sdn. Bhd. ("SHF")	Malaysia	100	Trading all types of furniture and household products via cross-border e-commerce platform and business-to-business customers
Synergy House Global Sdn. Bhd.	Malaysia	100	Wholesale on a fee or contract basis
Synergy House International Sdn. Bhd.	Malaysia	100	Trading all types of furniture and related products
Synergy House AI Sdn. Bhd.	Malaysia	100	Partnering with overseas or local service providers for the marketing of information technology and artificial technology related services and provision of related consultancy services
<i>Subsidiaries of SHF</i>			
Synergy House Furniture Inc.^	United States of America	100	Acting as an agent trading all types of furniture and related products
Synergy House UK Limited^	United Kingdom	100	Dormant
Synergy Germany GmbH^	Germany	100	Dormant
Synergy House (Hong Kong) Limited #	Hong Kong	100	Acting as an agent trading all types of furniture and related products

[^] Not required to be audited under the laws of the country of incorporation.

[#] The subsidiary was audited by other firms of chartered accountants.

(b) The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

Directors' Report (Cont'd)

HOLDING COMPANY

The Company is a subsidiary of Synergy House Furniture Holdings Sdn. Bhd., a company incorporated in Malaysia, which is also regarded by the directors as the ultimate holding company.

AUDITORS

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

The details of the auditors' remuneration for the financial year were as follows:

	The Group RM	The Company RM
Audit fees	137,650	36,000
Non-audit fees	5,000	5,000
	<hr/> 142,650	<hr/> 41,000

Signed in accordance with a resolution of the directors dated 16 April 2026

Tan Eu Tah

Teh Yee Luen

STATEMENT BY DIRECTORS

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

We, Tan Eu Tah and Teh Yee Luen, being two of the directors of Synergy House Berhad, state that, in the opinion of the directors, the financial statements set out on pages 74 to 121 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 of 31 December 2025 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 16 April 2026

Tan Eu Tah

Teh Yee Luen

STATUTORY DECLARATION

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

I, Ng Boon Kean Kenneth, MIA Membership Number: 43837, being the officer primarily responsible for the financial management of Synergy House Berhad, do solemnly and sincerely declare that the financial statements set out on pages 74 to 121 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Ng Boon Kean Kenneth at Muar in the State of Johor Darul Takzim
on this 16 April 2026

Ng Boon Kean Kenneth

Before me
Lim Pei Ling (No. J 238)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SYNERGY HOUSE BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Synergy House Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 74 to 121.

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, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. 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 judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Carrying amount of inventories	
Refer to Note 10 to the financial statements	
Key audit matter	How our audit addressed the key audit matter
<p>The Group held inventories with carrying amount of RM57,454,268 as at 31 December 2025.</p> <p>The carrying value of inventories is stated at the lower of cost and net realisable value.</p> <p>We have considered carrying values of inventories as a key area of our audit as management periodically reviews the inventories for potential write-downs by considering their ageing profile, estimation of market price fluctuation and net realisable value.</p> <p>These reviews involve judgements and estimation uncertainty in forming expectations about future consumptions, sales and demands.</p>	<p>Our procedures included, among others:</p> <ul style="list-style-type: none"> • Compared the net realisable value to the cost of inventories at the end of the reporting period to assess the reasonableness of inventories write-down. • Performing ageing test on the inventories and reviewing the impairment for slow moving inventories, where applicable. • Obtained third parties' confirmation and performed quantities verification as well as inventory observation to assess the existence of inventories.

There are no key audit matters to report for the Company.

Independent Auditors' Report (Cont'd)

To the Members of Synergy House Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the 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.

Independent Auditors' Report (Cont'd)

To the Members of Synergy House Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- 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 purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 6 to the financial statements.

OTHER MATTERS

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

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Low Chong Lian
03623/12/2027 J
Chartered Accountant

Muar, Johor Darul Takzim

Date : 16 April 2026

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	6	-	-	56,908,000	56,898,000
Property, plant and equipment	7	18,090,316	16,010,391	-	-
Investment properties	8	28,000,000	28,000,000	-	-
Right-of-use assets	9	24,764,838	22,170,212	-	-
		70,855,154	66,180,603	56,908,000	56,898,000
CURRENT ASSETS					
Inventories	10	57,454,268	71,177,695	-	-
Trade receivables	11	42,138,664	56,884,034	-	-
Other receivables, deposits and prepayments	12	3,361,074	5,478,433	1,850,000	1,248,793
Short-term investments	13	13,703,861	29,778,484	8,272,974	9,174,751
Current tax assets		11,712,094	5,293,115	2,560	512
Derivative assets	14	51,713	269,587	-	-
Fixed deposits with licensed banks	15	359,261	17,735,898	-	-
Cash and bank balances		28,014,017	28,372,813	33,878	284,628
		156,794,952	214,990,059	10,159,412	10,708,684
TOTAL ASSETS		227,650,106	281,170,662	67,067,412	67,606,684
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	67,419,124	67,419,124	67,419,124	67,419,124
Reserves	17	64,520,801	59,993,994	(494,385)	32,232
TOTAL EQUITY		131,939,925	127,413,118	66,924,739	67,451,356
NON-CURRENT LIABILITIES					
Borrowings	19	22,259,742	24,240,097	-	-
Lease liabilities	20	1,022,923	581,036	-	-
Deferred tax liabilities	21	5,167,302	662,752	-	-
		28,449,967	25,483,885	-	-
CURRENT LIABILITIES					
Trade payables	22	23,195,104	45,244,500	-	-
Other payables and accruals	23	11,714,357	17,817,719	142,673	155,328
Borrowings	19	31,554,089	63,141,426	-	-
Lease liabilities	20	784,740	527,905	-	-
Derivative liabilities	14	11,924	1,542,109	-	-
		67,260,214	128,273,659	142,673	155,328
TOTAL LIABILITIES		95,710,181	153,757,544	142,673	155,328
TOTAL EQUITY AND LIABILITIES		227,650,106	281,170,662	67,067,412	67,606,684

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

**STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	24	310,950,225	392,418,175	3,700,000	6,200,000
Other Income		6,014,148	11,801,430	350,498	373,502
Purchase Of Trading Goods		(216,937,295)	(302,164,449)	-	-
Changes In Inventories		(13,723,427)	22,554,178	-	-
Depreciation		(3,026,023)	(2,657,540)	-	-
Employee Benefits	26	(21,221,243)	(19,922,429)	(252,000)	(252,000)
Finance Costs	27	(3,362,067)	(3,865,570)	-	-
Net Impairment Losses On Financial Assets	28	(856,966)	(10,484,650)	-	-
Other Expenses		(51,812,845)	(57,904,301)	(624,612)	(930,433)
Profit Before Tax	29	6,024,507	29,774,844	3,173,886	5,391,069
Income Tax Expense	30	(1,707,349)	(1,936,917)	(503)	282
Profit After Tax For The Financial Year		4,317,158	27,837,927	3,173,383	5,391,351
OTHER COMPREHENSIVE INCOME	31				
<u>Items that will not be reclassified subsequently to profit or loss</u>					
Revaluation of property, plant and equipment and right-of-use assets		3,928,073	6,256,074	-	-
<u>Items that will be reclassified subsequently to profit or loss</u>					
Foreign currency translation differences		(18,424)	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME		3,909,649	6,256,074	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		8,226,807	34,094,001	3,173,383	5,391,351
PROFIT AFTER TAX ATTRIBUTABLE TO OWNERS OF THE COMPANY		4,317,158	27,837,927	3,173,383	5,391,351
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS OF THE COMPANY		8,226,807	34,094,001	3,173,383	5,391,351
EARNINGS PER SHARE (RM)	32				
- Basic/Diluted		0.01	0.06		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Note	Share capital RM	Non-distributable			Distributable	Total equity RM
		Re-organisation reserve RM	Revaluation reserve RM	Foreign exchange translation reserve RM	Retained profits RM	
The Group						
Balance at 1 January 2024	67,419,124	(31,788,000)	7,654,555	-	57,533,438	100,819,117
Profit after tax for the financial year	-	-	-	-	27,837,927	27,837,927
Other comprehensive income for the financial year:						
- Revaluation of property, plant and equipment	-	-	6,256,074	-	-	6,256,074
Total comprehensive income for the financial year	-	-	6,256,074	-	27,837,927	34,094,001
Distributions to owners of the Company:						
- Dividends	33	-	-	-	(7,500,000)	(7,500,000)
Balance at 31 December 2024/ 1 January 2025	67,419,124	(31,788,000)	13,910,629	-	77,871,365	127,413,118
Profit after tax for the financial year	-	-	-	-	4,317,158	4,317,158
Other comprehensive income for the financial year:						
- Revaluation of property, plant and equipment and right-of-use assets	-	-	-	3,928,073	-	3,928,073
- Foreign currency translation differences	-	-	(18,424)	-	-	(18,424)
Total comprehensive income for the financial year	-	-	3,928,073	(18,424)	4,317,158	8,226,807
Distributions to owners of the Company:						
- Dividends	33	-	-	-	(3,700,000)	(3,700,000)
Balance at 31 December 2025	67,419,124	(31,788,000)	17,838,702	(18,424)	78,488,523	131,939,925

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

Statements of Changes in Equity (Cont'd)

For the Financial Year Ended 31 December 2025

		<u>Distributable</u>	
	<u>Share</u>	<u>Retained profits</u>	<u>Total</u>
	<u>capital</u>	<u>/(Accumulated</u>	<u>equity</u>
<u>Note</u>	<u>RM</u>	<u>losses)</u>	<u>RM</u>
		<u>RM</u>	
The Company			
Balance at 1 January 2024	67,419,124	2,140,881	69,560,005
Profit after tax and total comprehensive income for the financial year	-	5,391,351	5,391,351
Distributions to owners of the Company:			
- Dividends	33	(7,500,000)	(7,500,000)
Balance at 31 December 2024/1 January 2025	67,419,124	32,232	67,451,356
Profit after tax and total comprehensive income for the financial year	-	3,173,383	3,173,383
Distributions to owners of the Company:			
- Dividends	33	(3,700,000)	(3,700,000)
Balance at 31 December 2025	67,419,124	(494,385)	66,924,739

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM/(FOR)					
OPERATING ACTIVITIES					
Profit before tax		6,024,507	29,774,844	3,173,886	5,391,069
Adjustments for:					
Bad debts written off		76,526	-	-	-
Depreciation of property, plant and equipment		1,935,551	1,860,476	-	-
Depreciation of right-of-use assets		1,090,472	797,064	-	-
Dividend income from subsidiaries		-	-	(3,700,000)	(6,200,000)
Dividend income from short-term investments		(878,076)	(882,447)	(348,223)	(371,385)
Fair value (gain)/loss on derivatives		(1,312,311)	1,346,495	-	-
Loss on modification of leases		6,386	-	-	-
Loss/(Gain) on disposal of property, plant and equipment		36,997	(69,132)	-	-
Impairment losses on trade receivables		856,966	10,484,650	-	-
Inventories written down		-	18,889	-	-
Inventories written off		2,335	1,177	-	-
Property, plant and equipment written off		360,994	18,635	-	-
Reversal of inventories previously written down		(179,318)	-	-	-
Unrealised loss on foreign exchange		2,239,533	1,584,119	-	-
Interest expenses		3,342,947	3,825,772	-	-
Interest income		(333,067)	(712,727)	(2,275)	(2,117)
Operating profit/(loss) before working capital changes		13,270,442	48,047,815	(876,612)	(1,182,433)
Inventories		13,900,410	(22,573,067)	-	-
Trade receivables		12,100,242	(3,396,333)	-	-
Other receivables, deposits and prepayments		1,256,315	(513,039)	(1,207)	104,907
Trade payables		(20,817,518)	15,921,247	-	-
Other payables and accruals		(5,713,415)	2,892,324	(12,655)	32,862
CASH FROM/(FOR) OPERATIONS		13,996,476	40,378,947	(890,474)	(1,044,664)
Dividend received		-	-	3,700,000	9,160,000
Interest received		333,067	712,727	2,275	2,117
Tax paid		(4,974,702)	(13,875,246)	(2,551)	(19,230)
Tax refund		112,481	121,108	-	-
NET CASH FROM OPERATING ACTIVITIES		9,467,322	27,337,536	2,809,250	8,098,223
CASH FLOWS (FOR)/FROM					
INVESTING ACTIVITIES					
Dividend received from short-term investments		878,076	882,447	348,223	371,385
Investment in subsidiaries		-	-	(10,000)	-
Advances to a subsidiary		-	-	(600,000)	(1,250,000)
Proceeds from the disposal of property, plant and equipment		30,957	71,900	-	-
Purchase of property, plant and equipment	34(a)	(1,522,539)	(3,219,206)	-	-
Additional of fixed deposits pledged and with tenures exceeding 3 months		(126,088)	(123,173)	-	-
Withdrawal of fixed deposits pledged		502,725	11,279,641	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(236,869)	8,891,609	(261,777)	(878,615)

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

Statements of Cash Flows (Cont'd)

For the Financial Year Ended 31 December 2025

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Dividends paid		(3,700,000)	(12,500,000)	(3,700,000)	(12,500,000)
Interest paid	34(b)	(3,305,315)	(3,644,150)	-	-
Net movements in bankers' acceptances	34(b)	(28,192,667)	25,144,877	-	-
Net movements in invoice financing	34(b)	-	(714,888)	-	-
Net movements in receivable financing	34(b)	(2,528,108)	1,093,903	-	-
Net movements in trade financing	34(b)	(721,998)	(228,236)	-	-
Repayment of hire purchase payables	34(b)	(293,146)	(474,006)	-	-
Repayment of term loans	34(b)	(1,831,773)	(1,895,416)	-	-
Repayment of lease liabilities	34(b)	(847,335)	(558,933)	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(41,420,342)	6,223,151	(3,700,000)	(12,500,000)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS					
		(32,189,889)	42,452,296	(1,152,527)	(5,280,392)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION					
		(1,243,530)	(2,066,670)	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR					
		75,151,297	34,765,671	9,459,379	14,739,771
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR					
	34(d)	41,717,878	75,151,297	8,306,852	9,459,379

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business are as follows:

Registered office : Unit 11.07, Amcorp Tower
Amcorp Trade Centre
18, Persiaran Barat
46050 Petaling Jaya
Selangor Darul Ehsan

Principal place of business : Lot 18.A & 18.B & 18.C & Lot 23.B
Level 18 & 23
Top Glove Tower
No. 16, Persiaran Setia Dagang
Bandar Setia Alam, Seksyen U13
40170 Shah Alam
Selangor Darul Ehsan

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as “the Group”.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency.

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

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holdings. The principal activities of the subsidiaries are set out in Note 6. There have been no significant changes in the nature of these activities during the financial year.

3. HOLDING COMPANY

The Company is a subsidiary of Synergy House Furniture Holdings Sdn. Bhd., a company incorporated in Malaysia, which is also regarded by the directors as the ultimate holding company.

4. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards (“MFRSs”), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

4.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):

MFRSs and/or IC Interpretations (Including the Consequential Amendments)

Amendments to MFRS 121: Lack of Exchangeability

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

4. BASIS OF PREPARATION (CONT'D)

- 4.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application except as follows:

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statements of financial position and the statements of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.

5. MATERIAL ACCOUNTING POLICY INFORMATION

5.1 Critical accounting estimates and judgements

Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:

(a) Depreciation of property, plant and equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors that could change significantly due to technical innovations and competitors' actions in response to market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in expected usage levels and technological development could affect the economic useful lives and residual values of these assets; therefore future depreciation charges may be revised.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.1 Critical accounting estimates and judgements (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(b) Property, plant and equipment and right-of-use assets under revaluation

Certain properties of the Group are reported at revalued amounts which are based on valuations performed by independent professional valuers by reference to the selling prices of recent transactions and asking prices of similar properties of nearby locations and where necessary, adjusting for tenure, location, size and market trends. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuations.

(c) Valuation of investment properties

Investment properties of the Group are reported at fair value which is based on valuations performed by independent professional valuers by reference to the selling prices of recent transactions and asking prices of similar properties of nearby locations and where necessary, adjusting for tenure, location, size and market trends. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting fair value.

(d) Write-down of inventories

Management periodically reviews damaged, obsolete, and slow-moving inventory. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(e) Impairment of trade receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts them for qualitative and quantitative, reasonable and supportable, forward-looking information, where applicable. If the expectation is different from the estimation, such a difference will impact the carrying value of trade receivables.

(f) Income taxes

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

(g) Discount rates used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.1 Critical accounting estimates and judgements (Cont'd)

Critical judgements made in applying accounting policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:

Lease terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including past practice and any costs that will be incurred to change the asset if an option to extend is not exercised. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

5.2 Financial instruments

(a) Financial assets

Financial assets through profit or loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair value at the reporting date with any fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial assets at amortised cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without a significant financing component which are measured at the transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

(b) Financial liabilities

Financial liabilities through profit or loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest expense.

Financial liabilities at amortised cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

(d) Derivatives

Derivatives are initially measured at fair value. Subsequent to the initial recognition, the derivatives are remeasured to their fair value at the reporting date with any fair value changes recognised in profit or loss.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.2 Financial instruments (Cont'd)

(e) Financial guarantee contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

5.3 Basis of consolidation

The Group applies the acquisition method of accounting for all business combinations except for those involving entities under common control which are accounted for by applying the merger method of accounting.

Under the merger method of accounting, the assets and liabilities of the merger entities are reflected in the financial statements of the Group at their carrying amounts reported in the individual financial statements. The consolidated statements of profit or loss and other comprehensive income reflects the results of the merger entities for the full reporting period (irrespective of when the combination takes place) and comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

The difference between the cost of the merger and the share capital of the merger entities is reflected within equity as merger reserve.

5.4 Investment in subsidiaries

Investment in subsidiaries, which are eliminated on consolidation, are stated in the financial statements of the Company at cost less accumulated impairment losses, if any.

5.5 Property, plant and equipment

All items of property, plant and equipment are initially measured at cost including the estimated costs of dismantling and removing the items and restoring the site on which they are located.

Subsequent to the initial recognition, all property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and buildings are stated at revalued amounts based on periodic valuations, at least once in every three years, less subsequent depreciation for the buildings. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:

Buildings	2%
Plant and machinery	10%
Motor vehicles	20%
Furniture and fittings, office and computer equipment	10% - 20%
Renovations and signboard	10% - 20%
Tools and equipment	10%

Capital work-in-progress are not depreciated until such time when the asset is available for use.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.6 Investment properties

Investment properties are initially measured at cost. Subsequent to the initial recognition, investment properties are measured at fair value with changes in fair value recognised in profit or loss.

5.7 Right-of-use assets and lease liabilities

(a) Short-term leases and leases of low-value assets

The Group applies the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets, other than leasehold land, are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

Leasehold land is stated at revalued amounts based on periodic valuations, at least once in every three years, less subsequent depreciation. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(c) Lease liabilities

Lease liabilities are initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the entity's incremental borrowing rate. Subsequent to the initial recognition, lease liabilities are measured at amortised cost and are adjusted for any lease reassessments or modifications.

5.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out method and comprises all costs of purchase plus other costs incurred in bringing the inventories to their present location and condition.

6. INVESTMENT IN SUBSIDIARIES

	The Company	
	2025 RM	2024 RM
Unquoted shares, at cost	56,908,000	56,898,000

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business and country of incorporation	Percentage of issued share capital held by parent		Principal activities
		2025 %	2024 %	
<i>Subsidiaries of the Company</i>				
Synergy House Furniture Sdn. Bhd. ("SHF")	Malaysia	100	100	Trading all types of furniture and household products via cross-border e-commerce platform and business-to-business customers
Synergy House Global Sdn. Bhd.	Malaysia	100	100	Wholesale on a fee or contract basis
Synergy House International Sdn. Bhd.	Malaysia	100	100	Trading all types of furniture and related products.
Synergy House AI Sdn. Bhd.	Malaysia	100	-	Partnering with overseas or local service providers for the marketing of information technology and artificial technology related services and provision of related consultancy services
<i>Subsidiary of SHF</i>				
Synergy House Furniture Inc.^	United States of America	100	100	Acting as an agent trading all types of furniture and related products
Synergy House UK Limited^	United Kingdom	100	100	Dormant
Synergy Germany GmbH^	Germany	100	-	Dormant
Synergy House (Hong Kong) Limited#	Hong Kong	100	-	Acting as an agent trading all types of furniture and related products

^ Not required to be audited under the laws of the country of incorporation.

The subsidiary was audited by other firms of chartered accountants.

- (a) On 11 July 2025, the Company incorporated a wholly-owned subsidiary known as Synergy House AI Sdn. Bhd. ("SHAI") with an initial issued share capital of RM 100, consisting of 100 ordinary shares. Subsequently, the Company further subscribed for 9,900 additional ordinary shares of RM 1 each in SHAI for a total consideration of RM 9,900. Following the completion of the subscription, SHAI remained a wholly-owned subsidiary of the Company.
- (b) On 8 January 2025, SHF incorporated a wholly-owned subsidiary known as Synergy House (Hong Kong) Limited ("Synergy HK") with an initial issued share capital of HKD 1, consisting of 1 ordinary share. Subsequently, SHF further subscribed for 199,999 additional ordinary shares of HKD 1 each in Synergy HK for a total cash consideration of HKD 199,999 (equivalent to RM 108,213). Following the completion of the subscription, Synergy HK remained a wholly-owned subsidiary of SHF and an indirect subsidiary of the Company.
- (c) On 21 March 2025, SHF subscribed an additional 100,000 ordinary shares of USD 1 each in Synergy House Furniture Inc. ("Synergy US") for a total cash consideration of USD 100,000 (equivalent to RM 445,900). Following the completion of the subscription, Synergy US remained a wholly-owned subsidiary of SHF and an indirect subsidiary of the Company.
- (d) On 21 July 2025, SHF registered a wholly-owned subsidiary known as Synergy Germany GmbH ("Synergy Germany") with an initial issued share capital of EUR 25,000 (equivalent to RM 116,040), consisting of 25,000 ordinary shares. As such, Synergy Germany became wholly-owned indirect subsidiary of the company.
- (e) In the previous financial year, SHF:
 - (i) subscribed an additional 70,000 ordinary shares of USD 1 each in Synergy US for a total cash consideration of USD 70,000 (equivalent to RM 321,510). Following the completion of the subscription, Synergy US remained a wholly-owned subsidiary of SHF and an indirect subsidiary of the Company.
 - (ii) incorporated a wholly-owned subsidiary known as Synergy House UK Limited ("Synergy UK") with an initial issued share capital of GBP 1, consisting of 1 ordinary share. As of the date of authorisation of this report, no paid-up capital has been subscribed.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

7. PROPERTY, PLANT AND EQUIPMENT

The Group	Buildings RM	Plant and machinery RM	Motor vehicles RM	Furniture and fittings, office and computer equipment RM	Renovations and signboard RM	Tools and equipment RM	Capital work-in- progress RM	Total RM
At cost/valuation								
At 1 January 2025	7,182,200	2,588,132	3,061,035	5,642,207	873,487	3,063,348	540,351	22,950,760
Additions	-	28,000	-	689,669	76,891	236,941	389,834	1,421,335
Disposals	-	-	(68,000)	(28,012)	-	(68,800)	-	(164,812)
Revaluation	3,023,089	-	-	-	-	-	-	3,023,089
Reclassification	-	-	-	182,547	-	-	(182,547)	-
Write off	-	-	-	(18,037)	-	(930)	(357,804)	(376,771)
At 31 December 2025	10,205,289	2,616,132	2,993,035	6,468,374	950,378	3,230,559	389,834	26,853,601
Representing:								
At cost	-	2,616,132	2,993,035	6,468,374	950,378	3,230,559	389,834	16,648,312
At valuation	10,205,289	-	-	-	-	-	-	10,205,289
At 31 December 2025	10,205,289	2,616,132	2,993,035	6,468,374	950,378	3,230,559	389,834	26,853,601
Less : Accumulated depreciation								
At 1 January 2025	361,711	1,141,586	2,085,709	2,528,777	189,379	633,207	-	6,940,369
Charge for the financial year	143,578	213,503	219,153	967,276	83,602	308,439	-	1,935,551
Disposals	-	-	(67,999)	(13,412)	-	(15,447)	-	(96,858)
Write off	-	-	-	(15,102)	-	(675)	-	(15,777)
At 31 December 2025	505,289	1,355,089	2,236,863	3,467,539	272,981	925,524	-	8,763,285
Representing:								
At cost	-	1,355,089	2,236,863	3,467,539	272,981	925,524	-	8,257,996
At valuation	505,289	-	-	-	-	-	-	505,289
At 31 December 2025	505,289	1,355,089	2,236,863	3,467,539	272,981	925,524	-	8,763,285
Carrying amount								
At 31 December 2025	9,700,000	1,261,043	756,172	3,000,835	677,397	2,305,035	389,834	18,090,316
Representing:								
At cost	-	1,261,043	756,172	3,000,835	677,397	2,305,035	389,834	8,390,316
At valuation	9,700,000	-	-	-	-	-	-	9,700,000
At 31 December 2025	9,700,000	1,261,043	756,172	3,000,835	677,397	2,305,035	389,834	18,090,316

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Furniture and fittings, office and computer equipment RM	Renovations and signboard RM	Tools and equipment RM	Capital work-in- progress RM	Total RM
At cost/valuation									
At 1 January 2024	14,000,000	13,882,200	2,270,413	2,565,432	3,839,619	483,489	1,666,815	506,803	39,214,771
Additions	-	-	317,719	584,454	1,905,150	383,998	1,396,533	188,548	4,776,402
Disposals	-	-	-	(88,851)	(17,092)	-	-	-	(105,943)
Revaluation	4,000,000	3,494,834	-	-	-	-	-	-	7,494,834
Reclassification	-	149,000	-	-	-	6,000	-	(155,000)	-
Transfer to investment properties (Note 8)	(18,000,000)	(10,343,834)	-	-	-	-	-	-	(28,343,834)
Write off	-	-	-	-	(85,470)	-	-	-	(85,470)
At 31 December 2024	-	7,182,200	2,588,132	3,061,035	5,642,207	873,487	3,063,348	540,351	22,950,760
Representing:									
At cost	-	62,200	2,588,132	3,061,035	5,642,207	873,487	3,063,348	540,351	15,830,760
At valuation	-	7,120,000	-	-	-	-	-	-	7,120,000
Less : Accumulated depreciation									
At 1 January 2024	-	420,441	933,847	1,883,191	1,868,030	113,340	374,888	-	5,593,737
Charge for the financial year	-	285,104	207,739	291,369	741,906	76,039	258,319	-	1,860,476
Disposals	-	-	-	(88,851)	(14,324)	-	-	-	(103,175)
Transfer to investment properties (Note 8)	-	(343,834)	-	-	-	-	-	-	(343,834)
Write off	-	-	-	-	(66,835)	-	-	-	(66,835)
At 31 December 2024	-	361,711	1,141,586	2,085,709	2,528,777	189,379	633,207	-	6,940,369
Representing:									
At cost	-	1,762	1,141,586	2,085,709	2,528,777	189,379	633,207	-	6,580,420
At valuation	-	359,949	-	-	-	-	-	-	359,949
Carrying amount									
At 31 December 2024	-	6,820,489	1,446,546	975,326	3,113,430	684,108	2,430,141	540,351	16,010,391
Representing:									
At cost	-	60,438	1,446,546	975,326	3,113,430	684,108	2,430,141	540,351	9,250,340
At valuation	-	6,760,051	-	-	-	-	-	-	6,760,051
At 31 December 2024	-	6,820,489	1,446,546	975,326	3,113,430	684,108	2,430,141	540,351	16,010,391

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) The following property, plant and equipment have been pledged to licensed banks as security for banking facilities granted to the Group (Note 19(a)):

	The Group	
	2025 RM	2024 RM
Carrying amount		
Buildings	8,300,000	5,492,945

- (b) The Group's buildings were revalued based on independent professional valuation on 31 December 2025. The surplus arising from revaluations, net of deferred tax, have been credited to other comprehensive income and accumulated in equity under the revaluation reserve.

- (c) The details of the Group's buildings carried at fair value are analysed as follows:

The Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2025				
Buildings	-	9,700,000	-	9,700,000
2024				
Buildings	-	7,120,000	-	7,120,000

The level 2 fair values have been determined using the market comparison approach, which reflects recent transaction prices for similar properties and cost approach as a check to ascertain the value of the properties. The most significant input into this valuation approach is price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

There were no transfers between levels 1 and 2 of the fair value hierarchy during the financial year.

The fair value measurement of the buildings is based on the highest and best use which does not differ from their actual use.

- (d) If the buildings were measured using the cost model, the carrying amounts would be as follows:

	The Group	
	2025 RM	2024 RM
Buildings	7,072,419	7,224,485

- (e) The following property, plant and equipment of the Group were held under hire purchase arrangements:

	The Group	
	2025 RM	2024 RM
Carrying amount		
Plant and machinery	-	113,167
Motor vehicles	218,803	402,111
Computer equipment	481,333	632,537
	700,136	1,147,815

These assets have been pledged as security for the hire purchase payables of the Group (Note 19(a)).

- (f) There is no property, plant and equipment in the Company throughout the current and previous financial years.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

8. INVESTMENT PROPERTIES

	The Group	
	2025 RM	2024 RM
Carrying amount		
At 1 January	28,000,000	-
Transfer from property, plant and equipment (Note 7)	-	28,000,000
At 31 December	28,000,000	28,000,000
Included in the above are:		
Freehold land, at fair value	18,000,000	18,000,000
Building, at fair value	10,000,000	10,000,000
	28,000,000	28,000,000

- (a) The investment properties of the Group are leased to a customer under operating leases with rentals payable monthly. The lease contains initial non-cancellable periods of 3 (2024 : 3) years and an option that is exercisable by the customer to extend the lease for 3 (2024 : 3) years.

The Group requires 2 (2024 : 2) months of advanced rental payments from the customer. The lease does not include residual value guarantees and variable lease payments that depend on an index or rate.

As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows:

	The Group	
	2025 RM	2024 RM
Within 1 year	1,000,000	1,200,000
Between 1 and 2 years	-	1,000,000
	1,000,000	2,200,000

- (b) The investment properties have been pledged to a licensed bank as security for banking facilities granted to the Group (Note 19(a)).
- (c) The fair value of the investment properties has been determined based on valuations performed by independent professional valuers on 31 December 2025, using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size, location and market trends. The most significant input into this valuation approach is the price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

The fair value measurement of the investment properties falls within level 2 of the fair value hierarchy.

There were no transfers between levels 1 and 2 of the fair value hierarchy during the financial year.

The fair value measurement of the investment properties is based on the highest and best use which does not differ from their actual use.

- (d) Rental income and direct operating expenses arising from investment properties during the financial year are as follows:

	The Group	
	2025 RM	2024 RM
Rental income	1,168,000	1,200,000
Direct operating expenses:		
- generating rental income	97,494	100,832

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

9. RIGHT-OF-USE ASSETS

The Group	Leasehold land RM	Offices RM	Shoplot RM	Total RM
Carrying amount				
At 1 January 2024	21,325,862	638,837	-	21,964,699
Additions	-	563,606	-	563,606
Depreciation	(249,425)	(547,639)	-	(797,064)
Reassessment of lease liabilities (Note 20)	-	438,971	-	438,971
At 31 December 2024/1 January 2025	21,076,437	1,093,775	-	22,170,212
Additions	-	-	306,220	306,220
Depreciation	(221,864)	(766,535)	(102,073)	(1,090,472)
Derecognition due to lease modification	-	(279,711)	-	(279,711)
Reassessment of lease liabilities (Note 20)	-	1,513,162	-	1,513,162
Revaluation	2,145,427	-	-	2,145,427
At 31 December 2025	23,000,000	1,560,691	204,147	24,764,838
Representing:				
At cost	-	1,560,691	204,147	1,764,838
At valuation	23,000,000	-	-	23,000,000
	23,000,000	1,560,691	204,147	24,764,838

(a) The Group leases a piece of leasehold land, a number of offices and shoplot of which the leasing activities are summarised below:

- (i) Leasehold land The Group has entered into a non-cancellable operating lease agreement for the use of land. The lease is for a period of 95 (2024 : 95) years with no renewal or purchase option included in the agreement.
- (ii) Offices The Group has leased 3 (2024 : 5) offices that run 3 (2024 : 1.5 and 3) years, with an option to renew the lease after that date.
- (iii) Shoplot The Group has leased 2 (2024 : Nil) shoplot that run 3 (2024 : Nil) years, with no option to renew the lease after that date.

(b) The leasehold land of the Group has been pledged to a licensed bank as security for banking facilities granted to the Group (Note 19(a)).

(c) The Group's leasehold land was revalued based on independent professional valuation on 31 December 2025. The surplus arising from revaluations, net of deferred tax, have been credited to other comprehensive income and accumulated in equity under the revaluation reserve.

(d) The details of the Group's leasehold land carried at fair value are analysed as follows:

The Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2025				
Leasehold land	-	23,000,000	-	23,000,000
2024				
Leasehold land	-	21,700,000	-	21,700,000

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

9. RIGHT-OF-USE ASSETS (CONT'D)

(d) The details of the Group's leasehold land carried at fair value are analysed as follows: (Cont'd)

The level 2 fair values have been determined using the market comparison approach, which reflects recent transaction prices for similar properties and cost approach as a check to ascertain the value of the properties. The most significant input into this valuation approach is price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

There were no transfers between levels 1 and 2 of fair value hierarchy during the financial year.

The fair value measurement of the leasehold land is based on the highest and best use which does not differ from their actual use.

(e) If the leasehold land was measured using the cost model, the carrying amount would be as follows:

	The Group	
	2025 RM	2024 RM
Leasehold land	11,255,011	11,388,207

10. INVENTORIES

	The Group	
	2025 RM	2024 RM
Raw materials	105,264	174,247
Finished goods	57,349,004	71,003,448
	<u>57,454,268</u>	<u>71,177,695</u>
Recognised in profit or loss:		
Inventories recognised as cost of sales	230,837,705	279,591,382
Inventories written down	-	18,889
Inventories written off	2,335	1,177
Reversal of inventories previously written down	(179,318)	-

11. TRADE RECEIVABLES

	The Group	
	2025 RM	2024 RM
Third parties	43,235,124	67,396,136
Allowance for impairment losses	(1,096,460)	(10,512,102)
	<u>42,138,664</u>	<u>56,884,034</u>
Allowance for impairment losses:		
At 1 January	(10,512,102)	(27,452)
Addition during the financial year (Note 28)	(856,966)	(10,484,650)
Write off	10,272,608	-
At 31 December	<u>(1,096,460)</u>	<u>(10,512,102)</u>

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

11. TRADE RECEIVABLES (CONT'D)

The Group's normal trade terms granted to customers are as follows:

	The Group	
	2025	2024
Third parties	Cash term - 60 days	Cash term - 60 days

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Amount owing by a subsidiary	-	-	1,850,000	1,248,293
Amount owing by a related party	-	250	-	-
Sundry receivables	432,104	698,166	-	-
	432,104	698,416	1,850,000	1,248,293
Deposits	658,650	1,149,375	-	500
Deposits paid to suppliers	975,121	1,906,195	-	-
Goods and services tax recoverable	198	198	-	-
Prepayments	1,295,001	1,724,249	-	-
	3,361,074	5,478,433	1,850,000	1,248,793

(a) The amounts owing by a subsidiary and a related party are unsecured, interest-free and repayable on demand.

(b) As at 31 December 2024, included in deposits of the Group was an amount of RM53,430 paid for future purchase of property, plant and equipment (Note 34(a)).

13. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Money market funds, at fair value	13,703,861	29,778,484	8,272,974	9,174,751

The money market funds represent investments in highly liquid money market instruments and deposits with financial institutions in Malaysia which are redeemable within 1 to 5 (2024 : 1 to 5) days' notice at known amounts of cash, and are subject to an insignificant risk of changes in value.

14. DERIVATIVE ASSETS/(LIABILITIES)

	Contract/Notional amount		The Group	
	2025 RM	2024 RM	2025 RM	2024 RM
Derivative assets				
Forward currency contracts	6,579,840	8,312,400	51,713	269,587
Derivative liabilities				
Forward currency contracts	4,448,330	40,413,250	(11,924)	(1,542,109)

The Group uses forward currency contracts to manage some of its transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency translation exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting. The settlement dates on forward currency contracts range between 1 to 3 (2024 : 1 to 3) months after the end of the reporting period.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

15. FIXED DEPOSITS WITH LICENSED BANKS

- (a) The effective annual interest rates and maturity periods for the fixed deposits with licensed banks of the Group are as follows:

	The Group	
	2025	2024
Effective annual interest rates (%)	2.05 - 2.50	2.30 - 3.10
Maturity periods (days)	365	6 - 366

- (b) Included in the fixed deposits with licensed banks is the following amount being pledged for banking facilities of the Group (Note 19(a)):

	The Group	
	2025 RM	2024 RM
Fixed deposits with licensed banks	359,261	735,898

16. SHARE CAPITAL

	The Group and The Company			
	2025		2024	
	Number of shares	RM	Number of shares	RM
Issued and fully paid-up				
Ordinary shares				
At 1 January/31 December	500,000,000	67,419,124	500,000,000	67,419,124

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

17. RESERVES

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-distributable				
Reorganisation reserve	(31,788,000)	(31,788,000)	-	-
Revaluation reserve	17,838,702	13,910,629	-	-
Foreign exchange translation reserve	(18,424)	-	-	-
Distributable				
Retained profits/(Accumulated losses)	78,488,523	77,871,365	(494,385)	32,232
	64,520,801	59,993,994	(494,385)	32,232

(a) Reorganisation reserve

The reorganisation reserve arose from the difference between carrying value of the investment and the nominal value of the shares of the subsidiaries upon consolidation under merger accounting principles.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

17. RESERVES (CONT'D)

(b) Revaluation reserve

The revaluation reserve arises from:

- (i) the net increase in the fair value of freehold land, buildings, and leasehold land of the Group (net of deferred tax, where applicable) presented under property, plant and equipment and right-of-use assets; and
- (ii) revaluation surpluses (net of deferred tax) of property, plant and equipment immediately prior to its reclassification as investment properties as a result of change in use. Upon retirement or disposal of the investment properties, the revaluation reserve will be transferred directly to retained profits.

(c) Foreign exchange translation reserve

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

18. EMPLOYEE SHARE OPTION SCHEME ("ESOS")

At an Extraordinary General Meeting held on 22 January 2025, the Company's shareholders approved the establishment of ESOS involving up to 2.5% of the total number of issued shares of the Company for the eligible employees of the Group (excluding dormant subsidiary companies). The ESOS shall be in force for a period of ten (10) years and shall be governed by the ESOS By-Laws. ESOS options shall be exercisable in accordance with the provisions of the By-Laws during the option period commencing on the offer date up to the date of expiry of the ESOS subject to the relevant vesting periods of the options.

The salient features of the ESOS are as follows:

- (a) The maximum number of new ordinary shares which may be allotted and issued under the ESOS shall not exceed, in aggregate, 2.5% of the total number of issued shares of the Company at any point of time during the duration of the ESOS.
- (b) Eligible persons are employees of the Group, who as at the date of offer, have attained the age of eighteen years, are confirmed in service and employed on a full-time basis on the payroll of the Group, are not undischarged bankrupts nor subject to any bankruptcy proceedings, and who satisfy such other criteria or fall within such category as may be determined at the sole and absolute discretion of the ESOS Committee.
- (c) The exercise price of the ESOS options shall be determined by the Board upon the recommendation of the ESOS Committee based on the 5-day volume weighted average market price of the shares of the Company immediately preceding the offer date of the option, with a discount of not more than 10%.
- (d) Not more than 10% of the total number of new ordinary shares to be issued under the ESOS shall be allocated to any eligible employee who, either singly or collectively through persons connected to him/her, holds 20% or more of the total number of issued shares of the Company.
- (e) Not more than 60% of the total number of new ordinary shares to be issued under the ESOS shall be allocated in aggregate to the senior management of the Group. The directors of the Group are not eligible to participate in the ESOS.
- (f) All new ordinary shares issued upon exercise of the options offered under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so allotted and issued, will not be entitled to any dividends, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to date of allotment and issuance of the new ordinary shares.

On 24 January 2025, the Company offered 5,180,000 ESOS options. The options offered were for the subscription of new ordinary shares, the exercise price and the number of share options exercisable as at end of the reporting period are as follows:

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

18. EMPLOYEE SHARE OPTION SCHEME ("ESOS") (CONT'D)

Offer date	Exercise price RM	Number of Options over Ordinary Shares					At 31.12.2025
		At 01.01.2025	Offered	Vested	Exercised	Lapsed	
24.01.2025	0.98	-	5,180,000	-	-	-	5,180,000

During the financial year, no share-based payment expense was recognised as the vesting conditions were not satisfied and no options vested.

19. BORROWINGS

	The Group	
	2025 RM	2024 RM
Current liabilities		
Secured - Bankers' acceptances	-	38,153,667
- Hire purchase payables	281,256	293,147
- Receivable financing	-	2,528,108
- Term loans	1,063,833	1,196,506
- Trade financing	-	721,998
	1,345,089	42,893,426
Unsecured - Bankers' acceptances	30,209,000	20,248,000
	31,554,089	63,141,426
Non-current liabilities		
Secured - Hire purchase payables	113,052	394,307
- Term loans	22,146,690	23,845,790
	22,259,742	24,240,097
	53,813,831	87,381,523
Total borrowings		
Secured - Bankers' acceptances	-	38,153,667
- Hire purchase payables	394,308	687,454
- Receivable financing	-	2,528,108
- Term loans	23,210,523	25,042,296
- Trade financing	-	721,998
	23,604,831	67,133,523
Unsecured - Bankers' acceptances	30,209,000	20,248,000
	53,813,831	87,381,523

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

19. BORROWINGS (CONT'D)

(a) The borrowings are secured by the followings:

- (i) Certain buildings, plant and machinery, motor vehicles and computer equipment of the Group (Notes 7(a) and 7(e));
- (ii) Investment properties of the Group (Note 8(b));
- (iii) Leasehold land of the Group (Note 9(b));
- (iv) Fixed deposits with licensed banks (Note 15(b));
- (v) Corporate guarantee provided by the Company;
- (vi) Assignment of Sun Inspirasi policy issued by Sun Life Malaysia Takaful Berhad under insured person covered name of certain directors of the Company;
- (vii) Guarantee cover for 80% of the facilities and interest thereon from the Government of Malaysia under Special Relief Facility Scheme ("SRFS") as administered by Syarikat Jaminan Pembiayaan Perniagaan Berhad;
- (viii) Letter of Guarantee from Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) under Working Capital Guarantee Scheme; and
- (ix) Guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) under PEMULIH Government Guarantee Scheme (PGGS) for 80% of the principal amount and profit outstanding.

(b) The unsecured borrowings are secured by corporate guarantee provided by the Company.

(c) The major covenants of the borrowings are as follows:

- (i) A subsidiary's gearing ratio shall not exceed 1.0 times; or
- (ii) Dividend payment made by a subsidiary shall obtain prior consent if exceeding 50% of the net profit after tax for the respective year.

The covenants are tested yearly. The Group has complied with the covenants throughout the reporting periods.

There are no indicators that the Group would have difficulties complying with the upcoming covenant assessments.

(d) The borrowings of the Group at the end of the reporting period bear effective annual interest rates as follows:

	The Group	
	2025	2024
	%	%
Bankers' acceptances	4.50 - 4.67	3.87 - 5.43
Hire purchase payables	4.87 - 6.97	4.87 - 6.97
Receivable financing	-	4.56
Term loans	4.65 - 6.60	3.50 - 6.85
Trade financing	-	5.46 - 5.49

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

20. LEASE LIABILITIES

	The Group	
	2025 RM	2024 RM
At 1 January	1,108,941	665,297
Additions (Notes 9 and 34(b))	306,220	563,606
Interest expense recognised in profit or loss (Note 27)	113,009	44,980
Changes due to reassessment of lease term (Notes 9 and 34(b))	1,513,162	438,971
Derecognition due to lease modification (Note 34(b))	(273,325)	-
Repayment of principal	(847,335)	(558,933)
Repayment of interest expense	(113,009)	(44,980)
At 31 December	1,807,663	1,108,941
Analysed by:		
Current liabilities	784,740	527,905
Non-current liabilities	1,022,923	581,036
	1,807,663	1,108,941

The lease liabilities of the Group at the end of the reporting period bear effective annual interest rates as follows:

	The Group	
	2025 %	2024 %
Effective annual interest rates	5.85 - 6.85	5.85

21. DEFERRED TAX LIABILITIES

The Group	At 1 January RM	Recognised in profit or loss (Note 30(a)) RM	Recognised in other compre- hensive income (Note 30(b)) RM	At 31 December RM
Deferred tax assets				
Allowance for impairment losses	(3,272,000)	3,009,000	-	(263,000)
Other temporary differences	-	(374,000)	-	(374,000)
Deferred tax liabilities				
Property, plant and equipment *	289,992	629,107	725,541	1,644,640
Right-of-use assets *	2,406,000	-	514,902	2,920,902
Investment properties ^	1,238,760	-	-	1,238,760
	662,752	3,264,107	1,240,443	5,167,302
2024				
Deferred tax assets				
Allowance for impairment losses	-	(3,272,000)	-	(3,272,000)
Other temporary differences	(182,130)	182,130	-	-
Deferred tax liabilities				
Property, plant and equipment *	464,228	(174,236)	-	289,992
Right-of-use assets *	2,406,000	-	-	2,406,000
Investment properties ^	-	-	1,238,760	1,238,760
	2,688,098	(3,264,106)	1,238,760	662,752

* Includes the deferred tax from the revaluation of property, plant and equipment and right-of-use assets.

^ Being deferred tax recognised on the revaluation surplus of investment properties transferred from property, plant and equipment.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

21. DEFERRED TAX LIABILITIES (CONT'D)

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:

	The Group	
	2025 RM	2024* RM
<i>Malaysian subsidiary</i>		
Unused tax losses:		
- expires year of assessment 2033	274,000	640,000
- expires year of assessment 2034	727,000	727,000
	<u>1,001,000</u>	<u>1,367,000</u>

* Certain comparative figures have been restated to reflect the revised tax losses carry-forward available to the Group.

Based on the current legislation, the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment.

22. TRADE PAYABLES

The normal trade terms granted to the Group by suppliers range from cash term to 60 days of credit (2024 : cash term to 60 days of credit).

23. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Accruals	392,211	516,034	142,126	43,085
Accrued purchases	2,121,088	5,321,450	-	-
Advance from customers	27,000	-	-	-
Amount owing to subsidiaries	-	-	-	14,055
Customers deposits	214,085	500,621	-	-
Deposit received	200,000	200,000	-	-
Goods and services tax payables	1,448,004	1,783,053	-	-
Provision for bonus	1,100,000	2,537,170	-	-
Provision for litigation (Note 39)	1,090,869	-	-	-
Provision of rebates to customers	1,445,127	2,807,028	-	-
Sundry payables	3,675,973	4,152,363	547	98,188
	<u>11,714,357</u>	<u>17,817,719</u>	<u>142,673</u>	<u>155,328</u>

(a) As at 31 December 2024, the amount owing to subsidiaries was unsecured, interest-free and repayable on demand.

(b) Included in sundry payables of the Group is an amount of RM 62,606 (2024 : RM 163,810) payable for the purchase of property, plant and equipment (Note 34(a)).

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

24. REVENUE

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from contracts with customers				
<u>Recognised at a point in time</u>				
Sales of ready-to-assemble home furniture	310,898,106	392,418,175	-	-
Wholesale services on a fee or contract basis	43,119	-	-	-
<u>Recognised over time</u>				
Service income from marketing information technology	9,000	-	-	-
	310,941,225	392,418,175	-	-
Revenue from other source				
Dividend income from subsidiaries	-	-	3,700,000	6,200,000
	310,950,225	392,418,175	3,700,000	6,200,000

(a) The information about the performance obligations in contracts with customers is summarised below:

Nature of goods or services	Timing and method of revenue recognition	Significant payment terms	Variable considerations	Warranty and obligation for returns or refunds
Sales of ready-to-assemble home furniture	When the goods are delivered and accepted by customers or reached the destination set by customers	Cash term - 60 days	Not applicable	Not applicable
Wholesale services on a fee or contract basis	When payment received from e-commerce platform by customers	Credit period of 7 days from the invoice date	Not applicable	Not applicable
Service income from marketing information technology	When services rendered over the service period on a straight-line basis	Credit period of 7 days from the invoice date	Not applicable	Not applicable

(b) The information of the revenue from other sources is summarised below:

Dividend income

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

25. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

25. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial year are as follows:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Executive directors				
Salaries, bonuses and other benefits	1,442,785	1,442,434	-	-
Contributions to defined contribution plan	172,800	172,800	-	-
	1,615,585	1,615,234	-	-
Non-executive directors				
Fees	252,000	252,000	252,000	252,000
Total directors' remuneration	1,867,585	1,867,234	252,000	252,000
Other key management personnel				
Salaries, bonuses and other benefits	1,030,986	1,055,256	-	-
Contributions to defined contribution plan	156,588	126,040	-	-
	1,187,574	1,181,296	-	-
Total key management personnel compensation	3,055,159	3,048,530	252,000	252,000

The estimated monetary value of benefits-in-kind provided by the Group to the directors and other key management personnel of the Group was RM 15,300 and RM 19,900 (2024 : RM 15,300 and RM 16,967) respectively.

26. EMPLOYEE BENEFITS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Key management personnel compensation (excluding benefits- in-kind)(Note 25)	3,055,159	3,048,530	252,000	252,000
Other staff costs				
Salaries, bonuses and other benefits	16,574,227	15,258,133	-	-
Contributions to defined contribution plan	1,591,857	1,615,766	-	-
	18,166,084	16,873,899	-	-
	21,221,243	19,922,429	252,000	252,000

27. FINANCE COSTS

	The Group	
	2025 RM	2024 RM
Interest on:		
Bankers' acceptances	1,838,332	2,250,269
Hire purchase payables	38,913	48,994
Invoice financing	-	1,596
Lease liabilities	113,009	44,980
Term loans	1,321,570	1,440,172
Trade financing	31,123	39,761
	3,342,947	3,825,772
Bill receivable charges	19,051	38,343
Credit card charges	69	1,455
	3,362,067	3,865,570

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

28. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group	
	2025 RM	2024 RM
Impairment losses:		
- trade receivables (Note 11)	856,966	10,484,650

29. PROFIT BEFORE TAX

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
This is arrived at after charging:				
Auditors' remuneration:				
- audit fees	137,650	141,000	36,000	35,000
- non-audit fees:				
- auditors of the Company	5,000	5,000	5,000	5,000
- member firms of the auditors of the Company	24,500	17,600	3,200	2,500
Bad debts written off	76,526	-	-	-
Depreciation of property, plant and equipment	1,935,551	1,860,476	-	-
Depreciation of right-of-use assets	1,090,472	797,064	-	-
Direct operating expenses on investment properties	97,494	100,832	-	-
Fair value loss on derivatives	-	1,346,495	-	-
Inventories written down	-	18,889	-	-
Inventories written off	2,335	1,177	-	-
Loss on modification of leases	6,386	-	-	-
Loss on disposal of property, plant and equipment	36,997	-	-	-
Property, plant and equipment written off	360,994	18,635	-	-
Realised loss on foreign exchange	3,825,884	-	-	1,616
Rental expenses:				
- equipment	6,735	3,156	-	-
- forklift	169,950	162,050	-	-
- hostel	-	1,655	-	-
Short-term leases:				
- factory	-	101,400	-	-
- hostel	63,388	62,615	-	-
- office	-	57,635	-	-
Unrealised loss on foreign exchange	2,239,533	1,584,119	-	-
And crediting:				
Dividend income from short-term investments	(878,076)	(882,447)	(348,223)	(371,385)
Fair value gain on derivatives	(1,312,311)	-	-	-
Fair value gain on short-term investment	(1,495)	-	-	-
Gain on disposal of property, plant and equipment	-	(69,132)	-	-
Realised gain on foreign exchange	-	(6,328,652)	-	-
Rental income from investment properties	(1,168,000)	(1,200,000)	-	-
Reversal of inventories previously written down	(179,318)	-	-	-
Total interest income on financial assets measured at amortised cost	(333,067)	(712,727)	(2,275)	(2,117)

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

30. INCOME TAX EXPENSE

(a) Income tax expenses recognised in profit or loss

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current tax expense	254,020	4,710,020	503	488
(Over)/Under provision in the previous financial year	(1,810,778)	491,003	-	(770)
	(1,556,758)	5,201,023	503	(282)
Deferred tax (Note 21):				
- origination and reversal of temporary differences	2,137,107	(3,274,106)	-	-
- under provision in the previous financial year	1,127,000	10,000	-	-
	3,264,107	(3,264,106)	-	-
	1,707,349	1,936,917	503	(282)

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

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax	6,024,507	29,774,844	3,173,886	5,391,069
Tax at the statutory tax rate	1,446,000	7,146,000	762,000	1,294,000
Tax effect of non-deductible expenses	1,556,127	724,914	210,503	283,488
Tax effect of non-taxable income	(526,000)	(212,000)	(972,000)	(1,577,000)
Utilisation of deferred tax assets previously not recognised	(85,000)	(95,000)	-	-
Utilisation of tax incentives	-	(6,128,000)	-	-
(Over)/Under provision in the previous financial year:				
- current tax	(1,810,778)	491,003	-	(770)
- deferred tax	1,127,000	10,000	-	-
	1,707,349	1,936,917	503	(282)

The income tax is calculated at the Malaysian statutory tax rate of 24% (2024 : 24%) of the estimated assessable profit for the financial year.

(b) Income tax expenses recognised in other comprehensive income

	The Group	
	2025 RM	2024 RM
Deferred tax on revaluation of property, plant and equipment and right-of-use assets (Note 31)	1,240,443	1,238,760

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

31. OTHER COMPREHENSIVE INCOME

	The Group	
	2025 RM	2024 RM
Items that will not be reclassified subsequently to profit or loss		
Revaluation of property, plant and equipment (Note 7)	3,023,089	7,494,834
Revaluation of right-of-use assets (Note 9)	2,145,427	-
Less: Deferred tax (Notes 20 and 30(b))	(1,240,443)	(1,238,760)
	3,928,073	6,256,074
Items that will be reclassified subsequently to profit or loss		
Foreign currency translation differences	(18,424)	-
	3,909,649	6,256,074

32. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	2025 RM	2024 RM
Profit after tax attributable to owners of the Company	4,317,158	27,837,927
	Units	Units
Weighted average number of ordinary shares in issue	500,000,000	500,000,000
Basic earnings per share (RM)	0.01	0.06

(b) Diluted earnings per share

The effects of potential ordinary shares arising from the conversion of ESOS is anti-dilutive and accordingly, it has been ignored in the calculation of dilutive earnings per share. As a result, the diluted earnings per ordinary share is the same as basis earnings per share.

33. DIVIDENDS

	The Group and The Company	
	2025 RM	2024 RM
In respect of financial year ended 31 December 2024		
First interim dividend of 0.9 sen per ordinary share	-	4,500,000
Second interim dividend of 0.74 sen per ordinary share	3,700,000	-
In respect of financial year ended 31 December 2023		
Second interim dividend of 0.6 sen per ordinary share	-	3,000,000
	3,700,000	7,500,000

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

34. CASH FLOWS INFORMATION

- (a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets are as follows:

	The Group	
	2025 RM	2024 RM
Property, plant and equipment		
Cost of property, plant and equipment purchased (Note 7)	1,421,335	4,776,402
Acquired through hire purchase arrangements	-	(676,754)
Deposits made in the prior years	-	(845,084)
Deposits made for future purchase (Note 12(b))	-	53,430
Unpaid balances included in sundry payables (Note 23(b))	(62,606)	(163,810)
Cash paid in respect of acquisition in previous financial year	163,810	75,022
	1,522,539	3,219,206
Right-of-use assets		
Cost of right-of-use assets acquired (Note 9)	306,220	563,606
Addition of new lease liabilities (Note 20)	(306,220)	(563,606)
	-	-

- (b) The reconciliations of liabilities arising from financing activities are as follows:

The Group	Bankers' acceptances RM	Hire purchase payables RM	Receivable financing RM	Term loans RM	Trade financing RM	Lease liabilities RM	Total RM
At 1 January 2025	58,401,667	687,454	2,528,108	25,042,296	721,998	1,108,941	88,490,464
<u>Changes in financing cash flows</u>							
Proceeds from drawdown	85,037,117	-	6,014,307	-	2,526,654	-	93,578,078
Repayment of principal	(113,229,784)	(293,146)	(8,542,415)	(1,831,773)	(3,248,652)	(847,335)	(127,993,105)
Repayment of interests	(1,800,700)	(38,913)	-	(1,321,570)	(31,123)	(113,009)	(3,305,315)
	(29,993,367)	(332,059)	(2,528,108)	(3,153,343)	(753,121)	(960,344)	(37,720,342)
<u>Other changes</u>							
Acquisition of new lease	-	-	-	-	-	306,220	306,220
Changes due to reassessment of lease term	-	-	-	-	-	1,513,102	1,513,162
Derecognition due to lease modification	-	-	-	-	-	(273,325)	(273,325)
Accrued interest	(37,632)	-	-	-	-	-	(37,632)
Interest expenses recognised in profit or loss	1,838,332	38,913	-	1,321,570	31,123	113,009	3,342,947
	1,800,700	38,913	-	1,321,570	31,123	1,659,066	4,851,372
At 31 December 2025	30,209,000	394,308	-	23,210,523	-	1,807,663	55,621,494

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

34. CASH FLOWS INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows: (Cont'd)

The Group	Bankers' acceptances	Hire purchase payables	Invoice financing	Receivable financing	Term loans	Trade financing	Lease liabilities	Total
	RM	RM	RM	RM	RM	RM	RM	RM
At 1 January 2024	33,256,790	484,706	714,888	1,427,686	26,937,712	950,234	665,297	64,437,313
<u>Changes in financing cash flows</u>								
Proceeds from drawdown	130,595,543	-	-	29,784,169	-	3,218,185	-	163,597,897
Repayment of principal	(105,450,666)	(474,006)	(714,888)	(28,690,266)	(1,895,416)	(3,446,421)	(558,933)	(141,230,596)
Repayment of interests	(2,068,647)	(48,994)	(1,596)	-	(1,440,172)	(39,761)	(44,980)	(3,644,150)
	23,076,230	(523,000)	(716,484)	1,093,903	(3,335,588)	(267,997)	(603,913)	18,723,151
<u>Other changes</u>								
Acquisition of new lease	-	-	-	-	-	-	563,606	563,606
New hire purchase payables	-	676,754	-	-	-	-	-	676,754
Changes due to reassessment of lease term	-	-	-	-	-	-	438,971	438,971
Foreign exchange adjustments	-	-	-	6,519	-	-	-	6,519
Accrued interest	(181,622)	-	-	-	-	-	-	(181,622)
Interest expenses recognised in profit or loss	2,250,269	48,994	1,596	-	1,440,172	39,761	44,980	3,825,772
	2,068,647	725,748	1,596	6,519	1,440,172	39,761	1,047,557	5,330,000
At 31 December 2024	58,401,667	687,454	-	2,528,108	25,042,296	721,998	1,108,941	88,490,464

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

34. CASH FLOWS INFORMATION (CONT'D)

(c) The total cash outflow for leases as a lessee are as follows:

	The Group	
	2025 RM	2024 RM
Payment of short-term leases	63,388	221,650
Payment of lease liabilities	847,335	558,933
Interest paid on lease liabilities	113,009	44,980
	<u>1,023,732</u>	<u>825,563</u>

(d) The cash and cash equivalents comprise the following:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Short-term investments	13,703,861	29,778,484	8,272,974	9,174,751
Fixed deposits with licensed banks	359,261	17,735,898	-	-
Cash and bank balances	28,014,017	28,372,813	33,878	284,628
	<u>42,077,139</u>	<u>75,887,195</u>	<u>8,306,852</u>	<u>9,459,379</u>
Less: Fixed deposits pledged to licensed banks and with tenures exceeding 3 months	(359,261)	(233,173)	-	-
Less: Fixed deposits pledged to licensed banks	-	(502,725)	-	-
	<u>41,717,878</u>	<u>75,151,297</u>	<u>8,306,852</u>	<u>9,459,379</u>

35. RELATED PARTY DISCLOSURES

(a) Holding company and subsidiaries

The holding company is disclosed in Note 3.

The subsidiaries are disclosed in Note 6.

(b) Significant related party transactions and balances

The Group and the Company also carried out the following significant transactions with the related parties during the financial year:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Subsidiaries				
Dividend income	-	-	(3,700,000)	(6,200,000)
Advances to	-	-	1,850,000	1,250,000
Companies in which the directors have substantial financial interest				
Rental expenses	111,540	101,400	-	-
	<u>111,540</u>	<u>101,400</u>	<u>-</u>	<u>-</u>

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the Notes 12 and 23.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

36. OPERATING SEGMENTS

(a) Business segments

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are predominantly confined to a single operating segment, namely trading all types of furniture and related products.

(b) Geographical information

In presenting the information on the basis of geographical segments, segmental information on non-current assets is not presented, as all non-current assets are located in Malaysia.

Segmental revenue is presented based on the geographical region of the customers as follows:

	The Group	
	2025 RM	2024 RM
Asia (excluding Malaysia)	20,405,353	29,009,362
Europe	91,435,023	129,624,099
North America	188,494,736	222,876,592
Oceania	512,155	319,507
Malaysia	10,102,958	10,588,615
	<u>310,950,225</u>	<u>392,418,175</u>

(c) Major customers

The following are major customers with revenue equal to or more than 10% of the Group's revenue:

	The Group	
	2025 RM	2024 RM
Customer A	132,818,208	121,780,105
Customer B	44,785,165	59,088,893
	<u>177,603,373</u>	<u>180,869,000</u>

37. CAPITAL COMMITMENTS

	The Group	
	2025 RM	2024 RM
Purchase of property, plant and equipment	267,000	911,000
	<u>267,000</u>	<u>911,000</u>

38. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 Financial risk management policies

The policies in respect of the major areas of treasury activity are as follows:

(a) Market risk

(i) Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Great Britain Pound ("GBP") and Euro ("EUR"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward currency contracts to hedge against its foreign currency risk. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The exposure to foreign currency risk (a currency which is other than functional currency of the entities within the group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:

Foreign currency exposure

The Group	USD RM	GBP RM	EUR RM	RM RM	Others RM	Total RM
2025						
Financial assets						
Trade receivables	34,826,032	6,219,100	104,765	173,606	815,161	42,138,664
Other receivables	4,734	-	-	427,370	-	432,104
Short-term investments	-	-	-	13,703,861	-	13,703,861
Derivative assets	51,713	-	-	-	-	51,713
Fixed deposits with licensed banks	-	-	-	359,261	-	359,261
Cash and bank balances	11,693,328	805,147	98,973	14,901,083	515,486	28,014,017
	46,575,807	7,024,247	203,738	29,565,181	1,330,647	84,699,620
Financial liabilities						
Trade payables	1,244,610	-	-	21,950,494	-	23,195,104
Other payables and accruals	1,627,318	504,779	834,029	1,075,517	26,541	4,068,184
Borrowings	-	-	-	53,813,831	-	53,813,831
Derivative liabilities	11,924	-	-	-	-	11,924
	2,883,852	504,779	834,029	76,839,842	26,541	81,089,043
Net financial assets/ (liabilities)	43,691,955	6,519,468	(630,291)	(47,274,661)	1,304,106	3,610,577
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currency	(439,480)	-	(57,074)	47,274,661	-	46,778,107
Less: Forward currency contracts (contracted notional principal)	(11,028,170)	-	-	-	-	(11,028,170)
Currency exposure	32,224,305	6,519,468	(687,365)	-	1,304,106	39,360,514

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 Financial risk management policies (Cont'd)

(a) Market risk (Cont'd)

(i) Foreign currency risk (Cont'd)

Foreign currency exposure (Cont'd)

The Group	USD RM	GBP RM	EUR RM	RM RM	Others RM	Total RM
2024						
Financial assets						
Trade receivables	48,521,782	6,361,421	213,140	8,286	1,779,405	56,884,034
Other receivables	56,818	-	-	641,598	-	698,416
Short-term investments	-	-	-	29,778,484	-	29,778,484
Derivative assets	269,587	-	-	-	-	269,587
Fixed deposits with licensed banks	-	-	-	17,735,898	-	17,735,898
Cash and bank balances	12,253,683	1,668,591	322,523	13,771,929	356,087	28,372,813
	61,101,870	8,030,012	535,663	61,936,195	2,135,492	133,739,232
Financial liabilities						
Trade payables	776,823	-	-	44,467,677	-	45,244,500
Other payables and accruals	2,867,380	457,099	145,219	1,197,381	1,318	4,668,397
Borrowings	2,528,108	-	-	84,853,415	-	87,381,523
Derivative liabilities	1,542,109	-	-	-	-	1,542,109
	7,714,420	457,099	145,219	130,518,473	1,318	138,836,529
Net financial assets/(liabilities)	53,387,450	7,572,913	390,444	(68,582,278)	2,134,174	(5,097,297)
Less: Net financial (assets)/liabilities denominated						
Less: respective entities' functional currency	(342,632)	-	-	68,582,278	-	68,239,646
Less: Forward currency contracts (contracted notional principal)	(48,725,650)	-	-	-	-	(48,725,650)
Currency exposure	4,319,168	7,572,913	390,444	-	2,134,174	14,416,699

The Company does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 Financial risk management policies (Cont'd)

(a) Market risk (Cont'd)

(i) Foreign currency risk (Cont'd)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currency at the end of the reporting period, with all other variables held constant:

	The Group	
	2025	2024
	RM	RM
Effects on profit after tax		
USD/RM		
- strengthened by 5%	1,224,524	164,128
- weakened by 5%	(1,224,524)	(164,128)
GBP/RM		
- strengthened by 5%	247,740	287,771
- weakened by 5%	(247,740)	(287,771)
EUR/RM		
- strengthened by 5%	(26,120)	14,837
- weakened by 5%	26,120	(14,837)

There is no impact on the Group's equity.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group adopts a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 19.

The Company does not have any interest-bearing borrowings and hence, is not exposed to interest rate risk.

Interest rate risk sensitivity analysis

Any reasonably possible change in the interest rates of floating rate term loans at the end of the reporting period does not have a material impact on the profit after tax and equity of the Group and hence, no sensitivity analysis is presented.

(iii) Equity price risk

The Group and the Company do not have any quoted investments and hence, are not exposed to equity price risk.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 Financial risk management policies (Cont'd)

(b) Credit risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group and the Company manage their exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

(i) Credit risk concentration profile

The Group determines the concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables, net of loss allowance, at the end of the reporting period is as follows:

	The Group	
	2025 RM	2024 RM
Asia (excluding Malaysia)	612,241	1,928,823
Europe	13,256,311	18,252,007
North America	28,096,507	36,694,918
Malaysia	173,605	8,286
	42,138,664	56,884,034

At the end of the reporting period, the Group's major concentration of credit risk relates to the amounts owing by 2 (2024 : 2) customers which constituted approximately 74% (2024 : 68%) of its trade receivables, net of loss allowance.

(ii) Maximum exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries of RM 53,676,374 (2024 : RM 87,171,089), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair values on initial recognition were not material.

(iii) Assessment of impairment losses

The Group and the Company have an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group and the Company closely monitor the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group and the Company evaluate whether any of the financial assets at amortised cost are credit impaired.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 Financial risk management policies (cont'd)

(b) Credit risk (cont'd)

(iii) Assessment of impairment losses (cont'd)

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of the following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or 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.

Trade receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

Inputs, assumptions and techniques used for estimating impairment losses

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on an individual basis.

The expected loss rates are based on the payment profiles of sales over 24 months (2024 : 24 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates were not adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts as the Group has not identified any forward-looking assumptions that correlate to the historical loss rates.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 Financial risk management policies (Cont'd)

(b) Credit risk (Cont'd)

(iii) Assessment of impairment losses (cont'd)

Trade receivables (Cont'd)

Allowance for impairment losses

The reconciliation of allowance for impairment losses on trade receivables are disclosed in Note 11.

The information about the credit exposure and loss allowances recognised for trade receivables is as follows:

	Gross amount RM	Lifetime individual allowance RM	Lifetime collective allowance RM	Carrying amount RM
The Group				
2025				
Current (not past due)	39,757,073	-	-	39,757,073
1 to 30 days past due	2,437,578	-	(59,393)	2,378,185
31 to 60 days past due	3,701	-	(1,013)	2,688
61 to 90 days past due	1,403	-	(865)	538
More than 90 days past due	42,608	-	(40,812)	1,796
Credit impaired	994,377	(994,377)	-	-
	43,235,124	(994,377)	(102,083)	42,138,664
2024				
Current (not past due)	55,144,229	-	(126,734)	55,017,495
1 to 30 days past due	1,652,592	-	(9,694)	1,642,898
31 to 60 days past due	66,589	-	-	66,589
61 to 90 days past due	16,154	-	-	16,154
More than 90 days past due	243,964	-	(103,066)	140,898
Credit impaired	10,272,608	(10,272,608)	-	-
	67,396,136	(10,272,608)	(239,494)	56,884,034

Trade receivables that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancement.

Trade receivables that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

There has been no significant change in the gross amounts of trade receivables that has impacted the allowance for impairment losses.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 Financial risk management policies (Cont'd)

(b) Credit risk (Cont'd)

(iii) Assessment of impairment losses (Cont'd)

Amount owing by subsidiary (non-trade balances)

The Company applies the 3-stage general approach to measure expected credit losses for all inter-company balances. The Company considers advances to inter-companies have low credit risks. The Company assumes that there is a significant increase in credit risk when the inter-company's financial position deteriorates significantly.

The Company measures the expected credit losses on an individual basis, which aligns with its credit risk management practices on the inter-company balances.

For advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the inter-company does not have sufficient highly liquid resources when the advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the inter-company.

Allowance for impairment losses

At the end of the reporting period, there was no indication that the amount owing by subsidiary is not recoverable.

Sundry receivables

The Group measures the expected credit losses of sundry receivables that are credit impaired and with a high risk of default on an individual basis.

Allowance for impairment losses

At the end of the reporting period, there was no indication that the sundry receivables are not recoverable.

Fixed deposits with licensed banks, cash and bank balances

The Group and the Company consider the licensed banks to be of low credit risk. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and is therefore not provided for.

Financial guarantee contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are a financial guarantee contract.

Inputs, assumptions and techniques used for estimating impairment losses

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 Financial risk management policies (Cont'd)

(b) Credit risk (Cont'd)

(iii) Assessment of impairment losses (Cont'd)

Financial guarantee contracts (Cont'd)

Allowance for impairment losses

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties to which the financial guarantee contracts were issued. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

(c) Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):

The Group	Effective interest rate % per annum	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM	1 - 5 years RM	Over 5 years RM
2025						
<u>Non-derivative financial liabilities</u>						
Trade payables	-	23,195,104	23,195,104	23,195,104	-	-
Other payables and accruals	-	4,068,184	4,068,184	4,068,184	-	-
Borrowings:						
- Bankers' acceptances	4.50 - 4.67	30,209,000	30,209,000	30,209,000	-	-
- Hire purchase payables	4.87 - 6.97	394,308	419,525	301,020	118,505	-
- Term loans	4.65 - 6.60	23,210,523	34,516,328	2,330,292	9,321,168	22,864,868
Lease liabilities	5.85 - 6.85	1,807,663	1,949,463	879,821	1,069,642	-
<u>Derivative financial liabilities</u>						
Forward currency contracts (gross settled):	-	11,924	-	-	-	-
- gross payments	-	-	4,448,330	4,448,330	-	-
		82,896,706	98,805,934	65,431,751	10,509,315	22,864,868

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 Financial risk management policies (Cont'd)

(c) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

The Group	Effective interest rate % per annum	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM	1 - 5 years RM	Over 5 years RM
2024						
<u>Non-derivative financial liabilities</u>						
Trade payables	-	45,244,500	45,244,500	45,244,500	-	-
Other payables and accruals	-	4,668,397	4,668,397	4,668,397	-	-
Borrowings:						
- Bankers' acceptances	3.87 - 5.43	58,401,667	58,401,667	58,401,667	-	-
- Hire purchase payables	4.87 - 6.97	687,454	751,585	332,060	419,525	-
- Receivable financing	4.56	2,528,108	2,528,108	2,528,108	-	-
- Term loans	3.50 - 6.85	25,042,296	37,158,342	2,558,557	9,345,744	25,254,041
- Trade financing	5.46 - 5.49	721,998	721,998	721,998	-	-
Lease liabilities	5.85	1,108,941	1,186,661	575,289	611,372	-
<u>Derivative financial liabilities</u>						
Forward currency contracts (gross settled):	-	1,542,109	-	-	-	-
- gross payments	-	-	40,413,250	40,413,250	-	-
		139,945,470	191,074,508	155,443,826	10,376,641	25,254,041

The Company	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM
2025			
<u>Non-derivative financial liabilities</u>			
Other payables and accruals	142,673	142,673	142,673
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries	-	53,676,374	53,676,374
	142,673	53,819,047	53,819,047
2024			
<u>Non-derivative financial liabilities</u>			
Other payables and accruals	155,328	155,328	155,328
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries	-	87,171,089	87,171,089
	155,328	87,326,417	87,326,417

The potential exposure of the financial guarantee contracts is equivalent to the outstanding amount of the credit facilities of the said subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements because their fair values on initial recognition were not material.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

38.2 Capital risk management

The Group and the Company manage their capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group and the Company include within net debt, interest bearing loans and borrowings, less cash and cash equivalents. Capital includes equity attributable to the owners of the Company. The debt-to-equity ratios of the Group and of the Company at the end of the reporting period are as follows:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Borrowings	53,813,831	87,381,523	-	-
Less: Cash and cash equivalents (Note 34(d))	(41,717,878)	(75,151,297)	(8,306,852)	(9,459,379)
Net debt/(Net cash)	12,095,953	12,230,226	(8,306,852)	(9,459,379)
Total equity	131,939,925	127,413,118	66,924,739	67,451,356
Debt-to-equity ratio	(0.09)	0.10	*	*

* Not applicable as the Company's cash and cash equivalents exceed its borrowings.

There was no change in the approach to capital management during the financial year.

38.3 Classification of financial instruments

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Financial assets				
<u>Fair value through profit or loss</u>				
Short-term investments	13,703,861	29,778,484	8,272,974	9,174,751
Derivative assets	51,713	269,587	-	-
	13,755,574	30,048,071	8,272,974	9,174,751
<u>Amortised cost</u>				
Trade receivables	42,138,664	56,884,034	-	-
Other receivables	432,104	698,416	1,850,000	1,248,293
Fixed deposits with licensed banks	359,261	17,735,898	-	-
Cash and bank balances	28,014,017	28,372,813	33,878	284,628
	70,944,046	103,691,161	1,883,878	1,532,921
Financial liabilities				
<u>Fair value through profit or loss</u>				
Derivative liabilities	11,924	1,542,109	-	-
<u>Amortised cost</u>				
Trade payables	23,195,104	45,244,500	-	-
Other payables and accruals	4,068,184	4,668,397	142,673	155,328
Borrowings	53,813,831	87,381,523	-	-
	81,077,119	137,294,420	142,673	155,328

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

38.4 Gains or losses arising from financial instruments

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Financial assets				
<u>Fair value through profit or loss</u>				
Net gains recognised in profit or loss	661,697	1,078,061	348,223	371,385
<u>Amortised cost</u>				
Net (losses)/gains recognised in profit or loss	(2,709,663)	(11,352,832)	2,275	2,117
Financial liabilities				
<u>Fair value through profit or loss</u>				
Net gains/(losses) recognised in profit or loss	1,530,185	(1,542,109)	-	-
<u>Amortised cost</u>				
Net losses recognised in profit or loss	(3,283,707)	(3,784,002)	-	-

38.5 Fair value information

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
The Group								
2025								
<u>Financial assets</u>								
Short-term investments								
- money market funds	-	13,703,861	-	-	-	-	13,703,861	13,703,861
Derivative assets								
- forward currency contracts	-	51,713	-	-	-	-	51,713	51,713
<u>Financial liabilities</u>								
Hire purchase payables								
	-	-	-	-	391,913	-	391,913	394,308
Term loans	-	-	-	-	23,210,523	-	23,210,523	23,210,523
Derivative liabilities								
- forward currency contracts	-	11,924	-	-	-	-	11,924	11,924

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

38.5 Fair value information (Cont'd)

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
The Group								
2024								
<u>Financial assets</u>								
Short-term investments								
- money market funds	-	29,778,484	-	-	-	-	29,778,484	29,778,484
Derivative assets								
- forward currency contracts	-	269,587	-	-	-	-	269,587	269,587
<u>Financial liabilities</u>								
Hire purchase payables								
	-	-	-	-	685,932	-	685,932	687,454
Term loans	-	-	-	-	25,042,296	-	25,042,296	25,042,296
Derivative liabilities								
- forward currency contracts	-	1,542,109	-	-	-	-	1,542,109	1,542,109
<hr/>								
The Company								
2025								
<u>Financial asset</u>								
Short-term investments								
- money market funds	-	8,272,974	-	-	-	-	8,272,974	8,272,974
<hr/>								
2024								
<u>Financial asset</u>								
Short-term investments								
- money market funds	-	9,174,751	-	-	-	-	9,174,751	9,174,751
<hr/>								

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

38.5 Fair value information (Cont'd)

(a) Fair value of financial instruments carried at fair value

- (i) The fair values above have been determined using the following basis:
 - (aa) The fair values of money market funds are determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.
 - (bb) The fair values of forward currency contracts are determined by discounting the difference between the contractual forward prices and the current forward prices for the residual maturity of the contracts using a risk-free interest rate (government bonds).
- (ii) There were no transfers between level 1 and level 2 during the financial year.

(b) Fair value of financial instruments not carried at fair value

The fair values, which are for disclosure purposes, have been determined using the following basis:

- (i) The fair values of hire purchase payables that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are 5.62% - 6.97% (2024 : 4.88% - 6.97%) per annum.
- (ii) The fair values of term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

39. MATERIAL LITIGATION

On 10 October 2025, Synergy House Furniture Sdn. Bhd. ("SHF"), a wholly-owned subsidiary of the Company, received notification that Leyo Holdings Sdn. Bhd. ("Leyo"), as the plaintiff, had filed a civil suit in the High Court of Malaya at Kuala Lumpur against SHF and two third party manufacturers (collectively, the "Defendants"), alleging breach of contract as well as patent and industrial design infringement arising from certain licence and royalty agreements.

Leyo has claimed, among others, RM 2,873,325 in alleged outstanding royalties against all Defendants jointly and severally. The amount allegedly attributable to SHF is only RM 493,829. The Defendants have filed their defence and counterclaim, disputing the claims and seeking, among others, the refund of royalties paid, damages and legal costs.

For conservative and prudent purposes, the Group has made a full provision of RM 493,829, being the amount allegedly directly attributable to the SHF, together with an estimated legal costs of RM 597,040 as disclosed in Note 23. Nonetheless, the exact amount of costs cannot be determined at this stage.

The matter is pending trial, which is scheduled to commence in March 2027. Based on legal advice, the directors are of the opinion that SHF has strong merits in its defence and counterclaim.

LIST OF PROPERTIES

No.	Location	Tenure	Description	Existing use	Land area / Built-up area (approximate)	Approx. age of building (year)	Revaluation Date	Net book value as at 31 December 2025 (RM'000)
Property, Plant and Equipment								
1.	No. 2, 4, 6, 8, 10, 12, 14, 16, 18, 20, 22, 24, 26 & 28, Lorong Sultan Mohamed 25A, Taman IKS PKNS, Bandar Sultan Sulaiman, 42000 Pelabuhan Klang, Selangor	Leasehold of 99 years expiring on 30 June 2105	14 units of 3-storey terrace corner shop office	Showroom	Land area 22,603 sq. ft. Built-up area 67,749 sq. ft.	19	31/12/2025	8,300
2.	No. 17, 19, 21 & 23, Lorong Sultan Mohamed 25A, Taman IKS PKNS, Bandar Sultan Sulaiman, 42000 Pelabuhan Klang, Selangor	Leasehold of 99 years expiring on 30 June 2105	4 units of 1½-storey intermediate terrace factory	Prototype assembly facility	Land area 9,600 sq. ft. Built-up area 10,040 sq. ft.	19	31/12/2025	1,400
Right of use (Leasehold Land)								
1.	Persiaran Sultan Alauddin KU17, Kawasan Perindustrian Bandar Sultan Sulaiman Fasa 4, 42000, Pelabuhan Klang, Selangor	Leasehold of 99 years expiring on 7 December 2110	A parcel of land	Vacant	Land area 310,456 sq. ft. Built-up area Not applicable	Not applicable	31/12/2025	23,000
Investment Properties								
1.	No. 7, Jalan Astana 1F/KU2, Bandar Bukit Raja, 41050 Klang, Selangor	Freehold	Individually designed warehouse comprising of: (a) 3-storey building; (b) single storey warehouse annexed; (c) guard house; (d) pump house; and (e) refuse chamber.	Rented out	Land area 90,546 sq. ft. Built-up area <u>3-storey building</u> 18,988 sq. ft. <u>Warehouse</u> 32,164 sq. ft. <u>Guard house, pump house and refuse chamber</u> 336 sq. ft.	5	31/12/2025	28,000

ANALYSIS OF SHAREHOLDINGS

ANALYSIS BY SIZE OF HOLDINGS AS AT 1 APRIL 2026

Class of Shares	: Ordinary Shares
Voting Rights by poll	: One vote for every share held
Issued and Paid-up Capital	: 500,000,000 Ordinary Shares

DISTRIBUTION OF SHAREHOLDINGS AND NUMBER OF SHAREHOLDERS AS AT 1 APRIL 2026

Size of Shareholdings	No. of Shareholders	Percentage (%) of Shareholdings	No. of Shares Held	Percentage (%) of Issued Shares
Less than 100	22	1.436	204	0.000
100 – 1,000	347	22.664	153,783	0.030
1,001 – 10,000	609	39.777	3,332,812	0.666
10,001 – 100,000	423	27.629	14,239,107	2.847
100,001 – 24,999,999*	129	8.425	112,274,094	22.454
25,000,000 and above**	1	0.065	370,000,000	74.000
Total	1,531	100.000	500,000,000	100.000

* - Less than 5% of issued shares

** - 5% and above of issued shares

LIST OF SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 1 APRIL 2026

Name	No. of Shares			
	Direct	%	Indirect	%
CIMSEC Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Synergy House Furniture Holdings Sdn Bhd (PB)</i>	370,000,000	74.00	-	-
Tan Eu Tah	1,358,300	0.27	370,000,000	⁽¹⁾ 74.00
Teh Yee Luen	1,488,000	0.30	370,000,000	⁽¹⁾ 74.00

Note:

⁽¹⁾ Deemed interest by virtue of his interest in Synergy House Furniture Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

LIST OF DIRECTORS' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 1 APRIL 2026

Name	No. of Shares			
	Direct	%	Indirect	%
Tan Eu Tah	1,358,300	0.27	370,000,000	⁽¹⁾ 74.00
Teh Yee Luen	1,488,000	0.30	370,000,000	⁽¹⁾ 74.00
Mok Juan Chek	125,000	0.03	-	-
Yew Yong Ling	125,000	0.03	-	-
Lieu Pei Yee	78,000	0.02	-	-
Yong Kim Fui	125,000	0.03	-	-

Note:

⁽¹⁾ Deemed interested by virtue of his interest in Synergy House Furniture Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

Analysis of Shareholdings (Cont'd)

LIST OF THIRTY (30) LARGEST SHAREHOLDERS AS PER RECORDS OF DEPOSITORS AS AT 1 APRIL 2026

No.	Name of Shareholders	No. of Shares Held	Percentage (%)
1	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR SYNERGY HOUSE FURNITURE HOLDINGS SDN BHD (PB)</i>	370,000,000	74.000
2	TEE KIAN HENG	14,822,900	2.964
3	PHILLIP NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD</i>	7,429,400	1.485
4	PHILLIP NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD</i>	6,786,300	1.357
5	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LIM SOON POO (E-KLG/KAP)</i>	6,700,000	1.340
6	PIAU CHEZ SDN BHD	4,484,700	0.896
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-R ES)</i>	3,944,000	0.788
8	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR FORTRESS CAPITAL ASSET MANAGEMENT(M) SDN BHD</i>	3,645,000	0.729
9	RHB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR PU SIANG YEN</i>	3,442,500	0.688
10	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR ANG KOK SEONG (M55015)</i>	3,166,100	0.633
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR ANG KOK SEONG</i>	3,016,300	0.603
12	LOW SU KIAN	2,703,000	0.540
13	LING YOKE HUA	2,609,200	0.521
14	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>CIMB FOR YOONG KAH YIN (PB)</i>	2,550,000	0.510
15	NIO VENTURES SDN. BHD.	2,450,000	0.490
16	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TANG KAM SING (E-KTN)</i>	2,350,000	0.470
17	HLB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR ANG LAY TING</i>	1,912,800	0.382
18	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LIM SOO KIAM (E-KLG/JTH)</i>	1,567,000	0.313
19	TEH YEE LUEN	1,488,000	0.297
20	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHEN BOON PIEW (STF)</i>	1,428,200	0.285
21	TAN EU TAH	1,358,300	0.271
22	TEH AH HUAT @ TEH KWI HUAT	1,215,000	0.243
23	CHIA MAK HOOI	1,144,500	0.228
24	PHILLIP NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD</i>	1,117,700	0.223
25	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR LEONG KONG FOO</i>	1,000,000	0.200
26	YEW AH KOW	1,000,000	0.200
27	WONG CHEE KIN	988,600	0.197
28	TAN YEE CHI	881,500	0.176
29	PUN KWEE HIONG	810,000	0.162
30	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MARA	800,000	0.160

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fourth Annual General Meeting ("AGM") of **Synergy House Berhad** will be held at Boardroom, Lot 18A & 18B, Level 18, Top Glove Tower, No. 16, Persiaran Setia Dagang, Setia Alam, 40170 Shah Alam, Selangor on Friday, 22 May 2026 at 2:30p.m.

AGENDA

AS ORDINARY BUSINESS

- | | | |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon. | Please refer to Note A |
| 2. | To re-elect Mr. Mok Juan Chek who retires in accordance with Clause 76(3) of the Company's Constitution. | Resolution 1 |
| 3. | To re-elect Ms. Lieu Pei Yee who retires in accordance with Clause 76(3) of the Company's Constitution. | Resolution 2 |
| 4. | To re-appoint Crowe Malaysia PLT as Auditors and to authorise the Directors to determine their remuneration. | Resolution 3 |
| 5. | To approve the payment of Directors' fees for the financial year ended 31 December 2025 and Directors' benefits from 23 May 2026 until the next Annual General Meeting of the Company up to an aggregate amount of RM272,000.00. | Resolution 4 |

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications the following Resolutions: -

6. **ORDINARY RESOLUTION I**

AUTHORITY TO ISSUE AND ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

Resolution 5

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

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

- a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;
- b. the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or

whichever is the earlier.

- c. unless revoked or varied by resolution passed by the shareholders of the Company in a general meeting.

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

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

Notice of Annual General Meeting (Cont'd)

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

7. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and Company's Constitution.

By Order of the Board

WONG YOUN KIM

(MAICSA 7018778) (SSM PC No. 201908000410)

Company Secretary

Kuala Lumpur

Date: 23 April 2026

Note A

This Agenda item is meant for discussion only as the provision of Sections 248(2) and 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders and hence is not put forward for voting.

NOTES:

1. Proxy

- 1.1 *If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange*
- 1.2 *For the purpose of determining who shall be entitled to participate in this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 14 May 2026. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this General Meeting or appoint a proxy to participate on his/her/ its behalf.*
- 1.3 *The shareholders who are unable to participate in 4th AGM may appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the proxy form.*
- 1.4 *A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.*
- 1.5 *A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the General Meeting.*
- 1.6 *Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*

1.7 *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 (“Central Depositories Act”) which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*

1.8 *Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*

1.9 *The appointment of a proxy may be made in hard copy form or by electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 4th AGM or adjourned 4th AGM at which the person named in the appointment proposes to vote:*

(i) *In hard copy form*

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

(ii) *By electronic means*

The Proxy Form can be electronically lodged via with the Company's Share Registrar at via Vistra Share Registry and IPO (MY) portal (“the Portal”) at <https://srmy.vistra.com>. Please refer to the Administrative Guide for the 4th AGM on the procedures for electronic lodgment of the Proxy Form.

Notice of Annual General Meeting (Cont'd)

- 1.10 Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, the drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- 1.11 Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
- 1.12 Last date and time for lodging this proxy form is on Wednesday, 20 May 2026 at 2.30 p.m..
- 1.13 For a corporate member who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment at the office of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, the drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment should be executed in the following manner:
- If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
 - If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - at least two (2) authorised officers, of whom one shall be a director; or
 - any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
2. **Resolution 3 – Re-appointment of Auditors**
The Audit Committee (“AC”) has carried out an assessment of the suitability and independence of the auditor, which included an assessment of the engagement teams’ qualifications, and experience, audit work approach and performance of the work within SHB Group’s timeline by completing an assessment questionnaire.
- The AC in its assessment found Messrs Crowe PLT to be sufficiently objective and independent and was satisfied with the suitability based on the quality of audit, performance and resources in terms of their audit team provided to the Group. The Board, therefore, approved the AC’s recommendation that the re-appointment of Messrs Crowe PLT as Auditors of the Company for the financial year ending 31 December 2026 be put forward for the shareholders’ approval at the 2026 AGM.
3. **Resolution 4 - Directors’ Fees and Benefits**
Pursuant to Section 230 of the Act, any fees and benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.
- The proposed Ordinary Resolution 4, if passed, will authorise the payment of Directors’ fees for the financial year ended 31 December 2025 and Directors’ benefits from 23 May 2026 until the next Annual General Meeting of the Company up to an aggregate amount of RM272,000.00.
4. **Resolution 5 - Authority to Issue Shares**
The Board is desirous of seeking a general mandate for issuance of shares at the 4th AGM. The Ordinary Resolution proposed under Resolution 5, if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the purpose of funding the Company’s current and/or future investment project(s), working capital and/or acquisition(s), by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed 10% of the total number of the issued shares (excluding treasury shares) of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company (“Proposed General Mandate”).

EXPLANATORY NOTES

1. Resolution 1 & 2 - Re-election of retiring Directors

Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of general meeting will be put to vote by way of poll.

The details and profiles of the retiring Directors, Mr. Mok Juan Chek, and Ms. Lieu Pei Yee who are standing for re-election at the 4th AGM are set out in the Directors’ profile on page 4 and 6 of the Annual Report 2026.

The Board through the Nomination Committee (“NC”) had conducted an annual assessment on the performance and contribution of the individual Directors including the retiring Directors for the financial year ended 31 December 2025 based on a set of prescribed criteria. Based on the results of the annual assessment, the performance of each individual Director was found to be satisfactory, and the NC had assessed that each individual Director was fit and proper to continue to hold the position as a Director of the Company.

Premised on the satisfactory outcome of the assessments, the Board endorsed the recommendation of the NC to seek members’ approval for the re-election of Mr. Mok Juan Chek, and Ms. Lieu Pei Yee as the Directors of the Company.

ADMINISTRATIVE GUIDE

FOR THE FOURTH ANNUAL GENERAL MEETING (“4th AGM” and/or “AGM”) OF SYNERGY HOUSE BERHAD

Day and Date	: Friday, 22 May 2026
Time	: 2:30p.m.
Venue of Meeting	: Boardroom, Lot 18.A & 18.B, Level 18, Top Glove Tower, No. 16, Persiaran Setia Dagang, Bandar Setia Alam, Seksyen U13, 40170 Shah Alam Selangor, Malaysia.

1. CORPORATE MEMBERS

- a. Corporate members who wish to appoint corporate representatives instead of a proxy, must deposit their original or duly certified certificate of appointment of corporate representative to Tricor Investor & Issuing House Services Sdn. Bhd. (“Share Registrar”) on or before the Annual General Meeting.
- b. Attorneys appointed by power of attorney are required to deposit their power of attorney with Tricor not later than Friday, 22 May 2026 at 2.30 p.m. to attend and vote at the 4th AGM.

2. GENERAL MEETING RECORD OF DEPOSITORS (“ROD”)

Only a depositor whose name appears on the ROD as at 14 May 2026 shall be entitled to attend, speak and vote at the 4th AGM or appoint proxies to attend and/or vote on his/her behalf.

3. PROXY

The appointment of proxy may be made in hard copy form or by electronic form in the following manner and must be received by the Company at least forty-eight (48) hours before the time appointed for holding the 4th AGM or any adjournment thereof, otherwise the Proxy Form shall not be treated as valid:-

a. In hard copy form

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

b. By electronic means

The procedures to lodge your Proxy Form electronically via Vistra Share Registry and IPO (MY) portal (“The Portal”) are summarised below:

Procedure	Action
1. Steps for Individual Members	
(a) Register as a User at The Portal	<ul style="list-style-type: none"> • Visit the website at https://srmy.vistra.com. • Click “Register” and select “Individual Holder” and complete the New User Registration Form. • For guidance, you may refer to the tutorial guide available on the homepage. • Once registration is completed, you will receive an email notification to verify your registered email address. • After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved. • Once you receive the confirmation, activate your account by creating your password. <p><i>If you are an existing user with The Portal or our TIH Online portal previously, you are not required to register again.</i></p>

Administrative Guide (Cont'd)

For the Fourth Annual General Meeting ("4th AGM" And/Or "AGM")
of Synergy House Berhad

Procedure	Action
1. Steps for Individual Members	
(b) Proceed with submission of Proxy Form	<ul style="list-style-type: none"> • After the release of the Notice of Meeting by the Company, login with your username (i.e. email address) and password. • Select the corporate event: "SYNERGY HOUSE BERHAD 4TH AGM". • Navigate to the 3 dots at the end of the corporate event and choose "SUBMISSION OF PROXY FORM". • Read and agree to the terms and conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. • Appoint your proxy(s) and insert the required details of your proxy(s) or appoint Chairman as your proxy. • Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. • Review and confirm your proxy(s) appointment. • Print Proxy Form for your record.
2. Steps for Corporation or Institutional Members	
(a) Register as a User at The Portal	<ul style="list-style-type: none"> • Visit the website at https://srmy.vistra.com. • Click "Register" and select "Representative or Corporate Holder" and complete the New User Registration Form. • Complete the registration form with your personal details. • Once registration is completed, you will receive an email notification to verify your registered email address. • After verification, your registration will be reviewed and approval within two (2) working days. A confirmation email will be sent once approved. • Once you receive the confirmation, activate your account by creating your password. <p><i>(Note: The representative of a corporation or institutional member must register as a user in accordance with the above steps before he/she can subscribe to this corporate member electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.)</i></p>
(b) Proceed with submission of Proxy Form	<ul style="list-style-type: none"> • Login to https://srmy.vistra.com with your email address and password. • Select the corporate event: "SYNERGY HOUSE BERHAD 4TH AGM". • Navigate to the icon ">" at the end of the corporate event. • Read and agree to the terms and conditions and confirm the Declaration. • Select the corporate holder's name. • Proceed to download the submission file. • Prepare the file for the appointment of proxies by inserting the required data. • Proceed to upload the duly completed proxy appointment file. • Select "Confirm" to complete your submission. • Print the confirmation report of your submission for your record

4. POLL VOTING

- The Voting at the 4th AGM will be conducted by poll in accordance with Paragraph 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as Poll Administrator to conduct the polling process.
- During the 4th AGM, the Chairman will invite the Poll Administrator to brief on the Voting procedures. The voting session will commence as soon as the Chairman calls for the poll to be opened.
- Upon completion of the voting session for the 4th AGM, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

Administrative Guide (Cont'd)

For the Fourth Annual General Meeting ("4th AGM" And/Or "AGM")
of Synergy House Berhad

5. ANNUAL REPORT 2025

- a. The Company's Annual Report 2025 is available at the Company's website at <https://www.synergyhouseberhad.com/>.
- b. Should you require a printed copy of the Annual Report 2025, please request at our Share Registrar's portal at <https://srmy.vistra.com> by selecting "Request for Annual Report/Circular" under the "Investor Services" or kindly contact Tricor Investor & Issuing House Services Sdn Bhd. Nevertheless, we hope that you would consider the environment before you decide to request for the printed copy.

6. REGISTRATION

- a. The registration will commence at 1.30 p.m. on Friday, 22 May 2026 and will remain open until the conclusion of the 4th AGM or such time as may be determined by the Chairman of the meeting.
- b. Please present your original National Registration Identity Card ("NRIC") or passport (for non-Malaysian) to the registration staff for verification.
- c. Upon verification, you are required to write your name and sign the attendance list placed on the registration table. You will be given a voting slip for voting purposes.
- d. No person will be allowed to register on behalf of another person even with the original NRIC or passport of the other person.

7. RECORDING OR PHOTOGRAPHY

Strictly **NO** unauthorised recording or photography of the 4th AGM proceedings is allowed.

8. ENQUIRY

If you have any enquiries on the above, please contact our Share Registrar during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line : +603-2783 9299

Email : is.enquiry@vistra.com

Personal Data Policy

By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.



SYNERGY HOUSE

Synergy House Berhad
Reg No.: 202101025778 (1426078-V)

PROXY FORM

CDS Account No.

No. of shares held

Telephone no. (During office hours) _____

I/We _____ NRIC (New)/ Company No _____
PLEASE USE BLOCK CAPITAL

of _____
(FULL ADDRESS)

being member(s) of **SYNERGY HOUSE BERHAD**, hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairperson of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Fourth Annual General Meeting of the Company held at Boardroom, Lot 18.A & 18.B, Level 18, Top Glove Tower No. 16, Persiaran Setia Dagang Bandar Setia Alam, Seksyen U13 40170 Shah Alam Selangor, Malaysia on Friday, 22 May 2026 at 2:30 p.m. or any adjournment thereof, and to vote as indicated below:

Ordinary Business	Resolution	For	Against
Re-election of Mr. Mok Juan Chek who retires in accordance with Clause 76(3) of the Company's Constitution	Ordinary Resolution 1		
Re-election of Ms. Lieu Pei Yee who retires in accordance with Clause 76(3) of the Company's Constitution	Ordinary Resolution 2		
Re-appointment of Crowe Malaysia PLT as Auditors and to authorise the Directors to determine their remuneration	Ordinary Resolution 3		
Approval of Directors' fees and benefits	Ordinary Resolution 4		
Special Business			
Ordinary Resolution I - Authority to Issue Shares	Ordinary Resolution 5		

(Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.)

Signed this _____ day of _____

Signature

Member

* Manner of execution:

- (a) If you are an individual member, please sign where indicated.
 (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
 (c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
- at least two (2) authorised officers, of whom one shall be a director; or
 - any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.



NOTES:

1. Proxy

1.1 If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange

1.2 For the purpose of determining who shall be entitled to participate in this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 14 May 2026. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this General Meeting or appoint a proxy to participate on his/her/its behalf.

1.3 The shareholders who are unable to participate in this AGM may appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the proxy form.

1.4 A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.

1.5 A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the General Meeting.

1.6 Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

1.7 Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

1.8 Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

1.9 The appointment of a proxy may be made in hard copy form or by electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote:

(i) In hard copy form

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

(ii) By electronic means

The Proxy Form can be electronically lodged via with the Company's Share Registrar via Vistra Share Registry and IPO (MY) portal ("the Portal") at <https://srmy.vistra.com>. Please refer to the Administrative Guide for the 4th AGM on the procedures for electronic lodgment of the Proxy Form.

1.10 Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop-in box located at G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

1.11 Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.

1.12 Last date and time for lodging this proxy form is on Wednesday, 20 May 2026 at 2.30 p.m..

1.13 For a corporate member who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment at the office of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, the drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment should be executed in the following manner:

(i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.

(ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:

(a) at least two (2) authorised officers, of whom one shall be a director; or

(b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.



SYNERGY HOUSE

Lot 18.A & 18.B & 18.C & Lot 23.B
Level 18 & 23, Top Glove Tower
No. 16, Persiaran Setia Dagang
Bandar Setia Alam, Seksyen U13
40170 Shah Alam, Selangor

TEL NO. : (6012) 365 8165

EMAIL : info@synergy-house.com

SYNERGY HOUSE BERHAD

(Registration No. : 202101025778 (1426078-V)
(Incorporated in Malaysia under the Companies Act 2016)

synergyhouseberhad.com

