THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, banker, solicitor, accountant or other professional advisers immediately.

FARLIM GROUP (MALAYSIA) BHD
Registration No: 198201002529 (82275-A)
發林集團(馬)有限公司
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED VARIATION FOR THE UTILISATION OF PROCEEDS RAISED FROM THE DISPOSAL OF GOPENG LAND BY FARLIM (PERAK) SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF FARLIM GROUP (MALAYSIA) BHD ("FARLIM" OR "COMPANY"), WHICH WAS COMPLETED ON 10 JUNE 2025 ("PROPOSED VARIATION")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting ("**EGM**") of the Company will be held at Level 3, The Corner Club Penang, 32, Jalan Kelawai, 10250 Georgetown, Penang on Wednesday, 9 September 2026 at 2.00 p.m. or any adjournment thereof. The Notice of EGM, together with the Form of Proxy are enclosed in this Circular which are available for download from the Company's website at https://farlim.com.my/notification-to-shareholders/ or Bursa Securities' website at www.bursamalaysia.com.

A member entitled to attend and vote at the EGM is entitled to appoint a proxy or proxies to attend and vote on his/her behalf. In such event, the Form of Proxy should be completed, signed and lodged at the Registered Office of the Company at No. 2-8, Bangunan Farlim, Jalan PJS 10/32, Taman Sri Subang, 46150 Petaling Jaya, Selangor Darul Ehsan or at the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. Alternatively, the Form of Proxy may also be lodged electronically via https://investor.boardroomlimited.com not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy	:	Monday, 7 September 2026 at 2.00 p.m.
Date and time of the EGM	:	Wednesday, 9 September 2026 at 2.00 p.m.

This Circular is dated 12 August 2026

DEFINITIONS

Except where the context otherwise requires, the following terms and abbreviations shall apply throughout this Circular:

Act	:	Companies Act 2016, as amended from time to time including any re-enactment thereof
Board	:	The Board of Directors of the Company
Bursa Securities	:	Bursa Malaysia Securities Berhad [Registration No.: 200301033577 (635998-W)]
Completion Date	:	10 June 2025, being the completion date for the Disposal
Circular	:	This circular to the shareholders of the Company dated 12 August 2026 in relation to the Proposed Variation
Disposal	:	Disposal of the Gopeng Land by Farlim (Perak) Sdn Bhd [Registration No.: 201201041551 (1026029-X)], a wholly-owned subsidiary of Farlim, to Gabong Holding Sdn Berhad [Registration No.: 198401000645 (113166-D)] for the Disposal Consideration, which was completed on 10 June 2025
Disposal Circular	:	The circular to shareholders of the Company dated 18 December 2024 in relation to the Disposal
Disposal Consideration or Disposal Proceeds	:	The cash consideration of RM33.0 million for the Disposal
EGM	:	Extraordinary General Meeting
EPS	:	Earnings per Share
Farlim or Company	:	Farlim Group (Malaysia) Bhd [Registration No.: 198201002529 (82275-A)]
Farlim Group or Group	:	Farlim and its subsidiaries, collectively
Farlim Shares or Shares	:	Ordinary shares in the Company
FYE	:	Financial year ended/ending, as the case may be
Gopeng Land	:	A leasehold housing scheme with individual title issued consisting of 1,201 pieces of individual leasehold titles, 3 pieces of Tenaga Nasional Berhad substation leasehold titles and 1 piece of Sistem Suis Utama tapak pencawang elektrik leasehold title, held under Title No. HSD 16599 to 17802 & 183566, Lot No. PT 21779 to PT 22982 & PT 24754, Mukim of Teja, District of Kampar, State of Perak together with reserved land for infrastructure, utilities, amenities and services
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	31 July 2026, being the latest practicable date prior to the printing of this Circular
NA	:	Net assets

Proposed Acquisition	:	Proposed acquisition of 20 pieces of freehold residential lands with approved development plan, held under individual Title Nos. H.S.(M) 32838 to H.S. (M) 32857, Lot Nos. PT 50022 to PT 50041 in Mukim Kapar, Daerah Klang in State of Selangor, measuring an aggregate land size of approximately 37,899.61 square feet for the Purchase Price pursuant to the SPA
Proposed Variation	:	Proposed variation for the utilisation of the RM20.92 million Unutilised Proceeds
Purchase Price	:	The consideration of RM3.40 million for the Proposed Acquisition to be satisfied entirely via cash
RM and sen	:	Ringgit Malaysia and sen, respectively
SPA	:	The conditional sale and purchase agreement dated 30 June 2026 entered into between Bandar Subang Sdn Bhd [Registration No.: 198401002428 (114944–K)], a wholly-owned subsidiary of the Company, and Top Glove Sdn Bhd [Registration No.: 199101010171 (220483-T)] in relation to the Proposed Acquisition
Unutilised Proceeds	:	Balance amount of the Disposal Proceeds which remains unutilised as at the LPD

Reference to "we", "us", "our" and "ourselves" are to the Company, and where the context otherwise requires, the subsidiaries of the Company. All references to "you" are to the shareholders of the Company.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any statutes, rules, regulations or rules of the stock exchange is a reference to such statutes, rules, regulations or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

Any reference to a time or date in this Circular shall be a reference to Malaysian time, unless otherwise stated.

Any discrepancy in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

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TABLE OF CONTENTS

EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSED VARIATION. YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR (INCLUDING THE APPENDIX) WITHOUT RELYING SOLELY ON THIS EXECUTIVE SUMMARY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED VARIATION TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.

<table>
<tr><th>Key information</th><th>Summary</th><th>Reference in this Circular</th></tr>
<tr><td>Details of the Proposed Variation</td><td>
The Group had completed the Disposal on 10 June 2025 and as at the LPD, it has Unutilised Proceeds of RM25.95 million.
The Board proposes to undertake the Proposed Variation to vary the utilisation of RM20.92 million from the Unutilised Proceeds to working capital to partially fund the Group’s ongoing and new property development projects as well as for its general administrative and operating expenses, and staff-related expenses.
The details of the Proposed Variation are as follows:
<table>
<tr><th>Details of Utilisation</th><th>Unutilised Proceeds as at the LPD RM’000</th><th>Proposed Variation RM’000</th><th>Revised proposed utilisation of the Unutilised Proceeds RM’000</th></tr>
<tr><td>Acquisition of new landbank(s)</td><td>23,980</td><td>(20,920)</td><td>3,060</td></tr>
<tr><td>Estimated expenses in relation to the Disposal</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Working capital</td><td>1,970</td><td>20,920</td><td>22,890</td></tr>
<tr><td>Total</td><td>25,950</td><td>-</td><td>25,950</td></tr>
</table>
Please refer to Section 2 of this Circular for further details on the Proposed Variation.
</td><td>Section 2</td></tr>
<tr><td>Rationale for the Proposed Variation</td><td>The Proposed Variation will provide the Company with flexibility to utilise the additional funds to support the Group’s ongoing and new property development projects as well as for its general administrative and operating expenses, and staff-related expenses, and not limit the Group to continuously explore any potential strategic development opportunities which typically takes a longer time to materialise and in turn, realise the returns.</td><td>Section 3</td></tr>
<tr><td>Effects of the Proposed Variation</td><td>
The Proposed Variation will not have any effect on the issued share capital and substantial shareholders’ shareholdings of the Company nor any immediate effect on the NA per share, gearing, earnings and EPS of the Group.
The Proposed Variation is expected to contribute positively to the future earnings of the Group as and when the benefits of the revised utilisation of the Disposal Proceeds are realised.
</td><td>Section 4</td></tr>
</table>

Key information	Summary	Reference in this Circular
Approval required and conditionality	The Proposed Variation is subject to the approval being obtained from the shareholders of the Company at the forthcoming EGM. The Proposed Variation is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.	Section 5
Interest of directors, major shareholders and/or persons connected with them	None of the directors, major shareholders of the Company and/or persons connected with them has any interest, whether direct or indirect, in the Proposed Variation.	Section 7
Directors' statement and recommendation	The Board, after taking into consideration all aspects of the Proposed Variation, including the rationale and effects of the Proposed Variation, is of the opinion that the Proposed Variation is in the best interest of the Company. Accordingly, the Board recommends you to **VOTE IN FAVOUR** of the resolution pertaining to the Proposed Variation to be tabled at the forthcoming EGM of the Company.	Section 9

FARLIM GROUP (MALAYSIA) BHD
Registration No: 198201002529 (82275-A)
發林集團(馬)有限公司

(Incorporated in Malaysia)

Registered Office:

No. 2-8, Bangunan Farlim
Jalan PJS 10/32
Taman Sri Subang
46150 Petaling Jaya
Selangor Darul Ehsan

12 August 2026

Board of Directors:

Tan Sri Dato' Seri Lim Gait Tong	*Chairman & Chief Executive/ Non-Independent Executive Director*
Datuk Seri Haji Mohamed Iqbal Bin Kuppa Pitchai Rawther	*Deputy Chairman & Group Executive Director/ Non-Independent Executive Director*
Lim Chu Dick	*Non-Independent Executive Director*
Adlina Hasni Binti Zainol Abidin	*Independent Non-Executive Director*
Amran Bin Ahmad	*Independent Non-Executive Director*
Koay Hooi Lynn	*Independent Non-Executive Director*

To: The Shareholders of the Company

Dear Sir/Madam,

PROPOSED VARIATION

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1. INTRODUCTION

On 2 July 2026, the Board announced that the Company proposed to undertake the Proposed Variation.

Further details of the Proposed Variation are set out in the ensuing sections of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSED VARIATION TOGETHER WITH THE RECOMMENDATION OF THE BOARD AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED VARIATION TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY. THE NOTICE OF THE EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED VARIATION TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.

2. DETAILS OF THE PROPOSED VARIATION

On 11 June 2025, the Company announced the completion of the Disposal on 10 June 2025, which raised the Disposal Proceeds of RM33.0 million.

On 2 December 2025, the Company announced the variation for the utilisation of RM8.0 million of the Disposal Proceeds initially earmarked for the acquisition of new landbank(s) to general working capital of the Group ("**Initial Variation**"). Subsequently, on 25 March 2026, the Company announced the extension of timeframe for the Initial Variation from immediate to within 36 months from the Completion Date ("**Extension**").

As at the LPD, the Group has utilised approximately RM7.05 million of the total Disposal Proceeds and a balance amount of approximately RM25.95 million remains unutilised.

After due consideration of the rationale set out in **Section 3** of this Circular, the Board proposes to undertake the Proposed Variation to vary the utilisation of RM20.92 million from the Unutilised Proceeds initially earmarked for the acquisition of new landbank(s) to working capital to partially fund the Group's ongoing and new property development projects as well as for its general administrative and operating expenses, and staff-related expenses.

In accordance with Paragraph 8.22(2)(a) of the Listing Requirements, the Proposed Variation is deemed a material change to the utilisation of the Disposal Proceeds as the change in utilisation of RM20.92 million represents approximately 63.39% of the total Disposal Proceeds. Accordingly, the approval of the shareholders of the Company for the Proposed Variation is required to be obtained at the forthcoming EGM of the Company.

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The details of the Proposed Variation are set out below:

Details of utilisation	(i) Original proposed utilisation RM'000	(ii) After Initial Variation RM'000	Actual utilisation as at the LPD RM'000	Unutilised Proceeds as at the LPD RM'000	Proposed Variation RM'000	Revised proposed utilisation of the Unutilised Proceeds RM'000	Timeframe for the utilisation of the Disposal Proceeds (from Completion Date)
Acquisition of new landbank(s) (1)	32,320	24,320	(340)	23,980	(20,920)	3,060	Within 36 months (up to 9 June 2028)
Estimated expenses in relation to the Disposal	680	680	(680)	-	-	-	Within 1 month
Working capital (2)	-	8,000	(6,030)	1,970	20,920	22,890	(iii) Within 36 months (up to 9 June 2028)
Total	**33,000**	**33,000**	**(7,050)**	**25,950**	**-**	**25,950**	

Notes:

(i) *As per the Disposal Circular.*

(ii) *As per the announcement dated 2 December 2025 on the Initial Variation to vary the utilisation of RM8.0 million of the Disposal Proceeds initially earmarked for the acquisition of new landbank(s) to general working capital of the Group.*

(iii) *As per the announcement dated 25 March 2026 on the Extension to extend the timeframe for the Initial Variation from immediate to within 36 months from the Completion Date.*

(1) *As per the Disposal Circular, the proceeds were earmarked to acquire new landbank(s) aimed at expanding the Group's property development activities. As at the LPD, the Group has utilised approximately RM0.34 million of the amount allocated for the acquisition of new landbank(s), for the payment of the deposit sum ("**Deposit**") for the Proposed Acquisition.*

*Bandar Subang Sdn Bhd ("**Purchaser**"), a wholly-owned subsidiary of the Company, had on 30 June 2026 entered into the SPA for the Proposed Acquisition. The SPA is conditional upon Top Glove Sdn Bhd ("**Vendor**") procuring the agreement from Pembinaan Juaran Sdn Bhd, being the previous owner of the lands, to novate the Klang land office's approvals dated 18 December 2003 and 13 April 2004 to the Purchaser, including receipt by the Purchaser of all evidence of payment proof that all premiums pursuant to the said approvals have been paid and that such approvals are in full force and effect ("**Condition Precedent Approval**") within 3 months from the date of the SPA with an automatic extension of 2 months. The SPA shall become unconditional on the date of receipt of the Condition Precedent Approval by the Purchaser's solicitors, which is expected by the 4th quarter of 2026 ("**Unconditional Date**").*

As the highest percentage ratio applicable to the Proposed Acquisition is approximately 2.98%, no announcement of the Proposed Acquisition to Bursa Securities is required pursuant to Paragraph 10.05(1) of the Listing Requirements.

The Proposed Acquisition will be funded via the Disposal Proceeds, of which the Deposit has been paid on 30 June 2026 and the balance Purchase Price of RM3.06 million shall be paid within 3 months from the Unconditional Date. The Proposed Acquisition is expected to be completed by the 4th quarter of 2026. In the event that the Proposed Acquisition cannot be completed for any reason, including the non-fulfilment of the condition precedent of the SPA, the Unutilised Proceeds will be reallocated for the Group's general working capital requirements.

In view of the time required to identify and finalise suitable landbank(s), the Group has decided to restrategise its plans and redeploy its resources appropriately to be in tune with the Group's current development plan. As such, the Group has proposed to revise RM20.92 million of the Unutilised Proceeds that was initially earmarked for the acquisition of new landbank(s) to working capital to partially fund the Group's ongoing and new property development projects as well as for its general administrative and operating expenses, and staff-related expenses.

(2) *The Group intends to allocate RM20.92 million of the Unutilised Proceeds for the Group's working capital, details of which are as follows:*

Details	**RM'000**	**%**
Partially fund ongoing and new property development projects [(i)]	15,000	71.70
General administrative and operating expenses such as rental, utilities and sundry expenses [(ii)]	3,420	16.35
Staff-related expenses such as staff salaries, bonuses, statutory contribution and welfare expenses [(ii)]	2,500	11.95
Total	***20,920***	***100.00***

(i) *The Group intends to allocate RM15.00 million of the Unutilised Proceeds to partially fund the development costs for the following ongoing and new property development projects undertaken/to be undertaken by the Group:*

No.	**Project name / location**	**Estimated gross development value RM'000**	**Estimated gross development cost RM'000**	**Commencement/ Expected commencement date**	**Expected completion date**
	Ongoing Projects				
1.	*Phase 2B and 4B, Taman Impiana Bidor / Perak* [(a)]	28,708	20,288	*Phase 2B: November 2024* *Phase 4B: December 2025*	*Phase 2B: 3rd quarter of 2026* *Phase 4B: 2nd quarter of 2027*
2.	*Taman Impiana Upeh, Balik Pulau / Pulau Pinang* [(b)]	19,681	15,117	*August 2025*	*4th quarter of 2026*
	New Projects				
3.	*Lot 15, Bandar Baru Ayer Itam Pulau Pinang* [(c)]	122,375	98,914	*1st quarter of 2027*	*1st quarter of 2030*
4.	*Lot 1182, Mukim 13, Daerah Timur Laut, Pulau Pinang* [(d)]	182,302	145,684	*1st quarter of 2027*	*1st quarter of 2030*
5.	*Lot Nos. PT 50022 to PT 50041, Mukim Kapar, Daerah Klang, Selangor* [(e)]	15,570	13,878	*3rd quarter of 2027*	*2nd quarter of 2029*

(a) An ongoing project at Taman Impiana, Bidor, Perak comprising the following phases:

(aa) Phase 2B, comprising 53 units of 1-storey affordable terrace houses which was launched in November 2024 and in which the construction stage has achieved an approximate 75.0% percentage of completion as at the LPD; and

(bb) Phase 4B, comprising 62 units of 1-storey terrace houses which was launched in December 2025 and in which the construction stage has achieved an approximate 45.0% percentage of completion as at the LPD.

(b) An ongoing landed housing development at Taman Impiana Upeh, Balik Pulau, Pulau Pinang comprising 24 units of 2-storey terrace houses, which was launched in August 2025 and in which the construction stage has achieved an approximate 65.0% percentage of completion as at the LPD.

(c) A new property development project for the proposed development of a 21-storey commercial building comprising 100 units of executive suites and 4 units of shoplots at Lot 15, Bandar Baru Ayer Itam, Pulau Pinang. The approval for the planning permission has been obtained in December 2025, while the building plan is targeted to be obtained by the 4th quarter of 2026.

(d) Pursuant to a Joint Venture Agreement entered into between the Company and Fortune Lander (M) Sdn Bhd on 2 December 2025 to jointly undertake a mixed commercial development project on a parcel of freehold land held under GM 1726, Lot 1182, Mukim 13, Daerah Timur Laut, Pulau Pinang measuring approximately 4,628.5847 square metres, comprising commercial units and units of semi-detached shop and bungalow shops. The approvals for the planning permission and building plan are targeted to be obtained by the 4th quarter of 2026 and 1st quarter of 2027 respectively.

(e) Pursuant to the SPA in relation to the Proposed Acquisition for the development of a freehold housing scheme comprising 20 units of 2-storey terrace houses. The approval for the development plan was obtained in December 2003, while the building plan is targeted to be obtained by the 1st quarter of 2027.

The Unutilised Proceeds allocated for this purpose is expected to be utilised for, amongst others, construction costs, including materials, infrastructure and building works, payment of professional fees, local authority fees, marketing expenses and other incidental costs. The actual breakdown allocation to each of the abovementioned property development projects will be based on the construction stage and funding requirements of each project at the relevant point in time.

In the event that there is any balance remaining from the Unutilised Proceeds after the funding for the abovementioned ongoing and new property development projects by 9 June 2028, it is proposed that such remaining amount be reallocated for the Group's general working capital requirements.

(ii) The actual breakdown of the proceeds to be utilised for each component of working capital as disclosed above cannot be determined at this juncture and will be dependent on the operating and funding requirements of the Group at the time of utilisation.

Pending the utilisation of the remaining Unutilised Proceeds, such proceeds will continue to be placed in interest-bearing short-term deposits with financial institutions or money market instruments. The interest income earned from the deposits or money market instruments will be used as additional working capital for the Group.

3. RATIONALE FOR THE PROPOSED VARIATION

The Proposed Variation will entail the variation of RM20.92 million of the Unutilised Proceeds. Instead of allocating a fixed amount earmarked solely for future acquisition of landbank(s), the Proposed Variation will provide the Company with flexibility to utilise the additional funds to support the Group's ongoing and new property development projects as well as for its general administrative and operating expenses, and staff-related expenses.

Hence, the reallocation of the Unutilised Proceeds towards funding of the Group's ongoing and new property development projects as well as for its general administrative and operating expenses, and staff-related expenses will contribute positively to the Group and not limit the Group to continuously explore any potential strategic development opportunities which typically takes a longer time to materialise and in turn, realise the returns. Such reallocation will also enhance the Group's cash flow position as Farlim Group does not need to obtain bank borrowings or use its internally generated funds to finance the Group's ongoing and new property development projects.

Premised on the above, the Board is of the view that it is in the best interest of the Group to undertake the Proposed Variation.

4. EFFECTS OF THE PROPOSED VARIATION

The Proposed Variation will not have any effect on the issued share capital and substantial shareholders' shareholdings of the Company nor any immediate effect on the NA per Share, gearing, earnings and EPS of the Group. The Proposed Variation is expected to contribute positively to the future earnings of the Group as and when the benefits of the revised utilisation of the Disposal Proceeds are realised.

5. APPROVAL REQUIRED

The Proposed Variation is subject to the approval being obtained from the shareholders of the Company at the forthcoming EGM.

6. CONDITIONALITY

The Proposed Variation is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

7. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the directors, major shareholders of the Company and/or persons connected with them has any interest, whether direct or indirect, in the Proposed Variation.

8. CORPORATE EXERCISE ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Variation, there is no other corporate exercise which has been announced but pending completion as at the LPD.

9. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, after taking into consideration all aspects of the Proposed Variation, including the rationale and effects of the Proposed Variation, is of the opinion that the Proposed Variation is in the best interest of the Company.

Accordingly, the Board recommends you to **VOTE IN FAVOUR** of the resolution pertaining to the Proposed Variation to be tabled at the forthcoming EGM of the Company.

10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the shareholders' approval being obtained at the forthcoming EGM, the Proposed Variation is expected to be completed in the 3rd quarter of 2026.

11. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at Level 3, The Corner Club Penang, 32, Jalan Kelawai, 10250 Georgetown, Penang on Wednesday, 9 September 2026 at 2.00 p.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution to give effect to the Proposed Variation.

If you are unable to attend and vote in person at the EGM, you are entitled to appoint a proxy or proxies to attend and vote on your behalf. In such event, the Form of Proxy should be completed, signed and lodged at the Registered Office of the Company at No. 2-8, Bangunan Farlim, Jalan PJS 10/32, Taman Sri Subang, 46150 Petaling Jaya, Selangor Darul Ehsan or at the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. Alternatively, the Form of Proxy may also be lodged electronically via https://investor.boardroomlimited.com not less than forty-eight (48) hours, i.e. latest by Monday, 7 September 2026 at 2.00 p.m., before the time appointed for holding the EGM or any adjournment thereof.

The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

12. FURTHER INFORMATION

Shareholders are advised to refer to the Appendix as set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
FARLIM GROUP (MALAYSIA) BHD

TAN SRI DATO' SERI LIM GAIT TONG
Chairman & Chief Executive

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

The Board has seen and approved the contents of this Circular, and they collectively and individually, accept full responsibility for the accuracy of the information given in this Circular. The Board confirms that after making all reasonable enquires and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular false or misleading.

2. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed below, as at the LPD, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings, which might materially and adversely affect the financial position or business of the Group:

Civil Suit No. PA-22NCVC-116-04/2019
Ayer Itam Properties Sdn Bhd ("AIPSB") - v - Farlim Group (Malaysia) Bhd

The Company entered into a Sale and Purchase Agreement on 23 September 2013 with AIPSB for a consideration of RM112,501,725.60 for the sale of the Company's undivided share in and to the following lands:

(i) ¼ undivided share in Lot 1584, Mukim 13, Daerah Timor Laut, Negeri Pulau Pinang held under No. Hakmilik GRN 53264 ("**Lot 1584**");

(ii) 11/100 undivided share in Lot 1457, Mukim 13, Daerah Timor Laut, Negeri Pulau Pinang held under No. Hakmilik GRN 4661 ("**Lot 1457**"); and

(iii) ¼ undivided share in Lot 1561, Seksyen 3, Bandar Baru Ayer Itam, Daerah Timor Laut, Negeri Pulau Pinang held under No. Hakmilik GRN 43187 save for the interests arising from certain lodged caveats ("**Lot 1561**").

On 29 April 2019, the Company received from its solicitors Messrs. V.M. Mohan, Fareed & Co. a copy of Writ and Statement of Claim filed at the Penang High Court ("**Court"**) by AIPSB against the Company. In the Statement of Claim, AIPSB alleged that it had paid an excess of RM8,455,810.00 in relation to the lodged caveats on 76,871 square feet of land in Lot 1561.

After several adjournments, the trial hearing was conducted on 13 and 14 September 2022 and the Court directed both parties as follows:

(a) written submission to be filed on 20 November 2022;

(b) submission in reply to be filed on 20 December 2022; and

(c) oral submission fixed on 13 January 2023 was postponed by the Court to 30 January 2023.

On 7 March 2023, the Court ruled in favour of AIPSB. The Court also awarded in favour of AIPSB interest at the rate of 5% per annum, on the judgement sum of RM8,455,810.00 commencing from 24 April 2019 and costs of RM40,000.00.

The Company had on 8 March 2023 filed an appeal against the Court's decision at the Court of Appeal. On 21 March 2023, the Company filed an application with certificate of urgency to the Court for "a stay of execution" pending the Company's appeal at the Court of Appeal. The Court fixed the hearing for the Company's application for "a stay of execution" on 2 May 2023.

On 25 May 2023, the Court had allowed the Company's application for "a stay of execution" of the 7 March 2023 judgment until the final disposal of the Company's appeal to the Court of Appeal.

On 21 June 2024, the Court vacated the original hearing date of 1 August 2024 and fixed a new hearing date for 2 December 2024. Subsequently, on 13 November 2024, the Court fixed a case management on 2 December 2024 for the Appellant to finalise its choice of counsel and for a new hearing date to be fixed. On 2 December 2024, the Court fixed the next case management on 12 August 2025 to update the status of cause papers and fixed a new hearing date for the appeal on 25 August 2025. Subsequently, the appeal hearing on 25 August 2025 was adjourned and the Court fixed a new hearing date for the appeal on 28 April 2026.

Upon the conclusion of the hearing on 28 April 2026, the Court reserved its judgment to a later date and an e-review was subsequently fixed for 29 April 2026 for case management purposes. At the case management, the Court fixed 15 July 2026 for the delivery of its judgment via e-Zoom.

On 15 July 2026, the Court of Appeal had dismissed the Company's appeal with costs of RM50,000.00. Following the delivery of the judgment, the Company conferred with its solicitors and after careful consideration of the Court of Appeal's decision and the legal advice received, resolved to file an application for leave to appeal to the Federal Court.

Pending the determination of the intended application for leave to appeal to the Federal Court, the Court's award in favour of AIPSB for damages and costs remains subject to the outcome of the intended application. As at the LPD, the Company has provided a provision amounting to RM11,280,000.00 of the judgement sum in its audited consolidated financial statements of the Company for FYE 31 December 2025. Hence, the Board is of the opinion that the Company is not expected to be materially and adversely affected by the outcome of the appeal.

3. MATERIAL COMMITMENTS

As at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by the Group that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or financial performance of the Group.

4. CONTINGENT LIABILITIES

As at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial position or financial performance of the Group.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal office hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM of the Company, at the Registered Office of the Company at No. 2-8, Bangunan Farlim, Jalan PJS 10/32, Taman Sri Subang, 46150 Petaling Jaya, Selangor Darul Ehsan:

(i) the Constitution of the Company;

FURTHER INFORMATION *(CONT'D)*

(ii) the audited consolidated financial statements of the Company for the past two (2) FYE 31 December 2024 and FYE 31 December 2025 as well as the latest unaudited consolidated financial statements of the Company for the three (3)-month financial period ended 31 March 2026; and

(iii) the relevant cause paper in respect of the material litigation, claims and arbitration referred to in Section 2 above.

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FARLIM GROUP (MALAYSIA) BHD
Registration No: 198201002529 (82275-A)
發林集團(馬)有限公司

(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting ("**EGM**" or "**Meeting**") of Farlim Group (Malaysia) Bhd ("**Farlim**" or "**Company**") will be held at Level 3, The Corner Club Penang, 32, Jalan Kelawai, 10250 Georgetown, Penang on Wednesday, 9 September 2026 at 2.00 p.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing the following ordinary resolution, with or without any modifications:

ORDINARY RESOLUTION

PROPOSED VARIATION FOR THE UTILISATION OF PROCEEDS RAISED FROM THE DISPOSAL OF GOPENG LAND BY FARLIM (PERAK) SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF FARLIM GROUP (MALAYSIA) BHD ("FARLIM" OR "COMPANY"), WHICH WAS COMPLETED ON 10 JUNE 2025 ("DISPOSAL") ("PROPOSED VARIATION")

"**THAT** subject to the approval and consent being obtained from all relevant authorities and/or parties (where applicable), approval be and is hereby given to the Company for the variation of the utilisation of the proceeds raised from the Disposal in the manner set out in Section 2 of the circular to shareholders of the Company dated 12 August 2026.

AND THAT the Board of Directors of the Company ("**Board**") be and is hereby authorised to do all acts, deeds and things, and execute all documents as they may consider necessary or expedient to implement finalise and give effect to the Proposed Variation, with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities or as may be deemed necessary by the Board and in the best interest of the Company."

By Order of the Board

LIM LI HEONG (MAICSA 7054716) (SSM PC NO. 202008001981)
WONG MEE KIAT (MAICSA 7058813) (SSM PC NO. 202008001958)
Company Secretaries

Kuala Lumpur
12 August 2026

Notes:

A member of the Company shall be entitled to appoint any person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote at the Meeting. A proxy need not be a member of the Company. There is no restriction as to the qualification of the proxy.

A member of the Company may appoint one (1) proxy or more proxies in relation to the Meeting and where a member appoints more than one (1) proxy as aforesaid, such appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.

Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("**SICDA**"), he(she) may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said security account.

Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies it may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

If the member is a corporation, the form of proxy must be executed either under its common seal or under the hand of an officer or attorney duly authorised in writing.

The form of proxy or instrument appointing a proxy duly completed and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's Registered Office situated at No. 2-8, Bangunan Farlim, Jalan PJS 10/32, Taman Sri Subang, 46150 Petaling Jaya, Selangor Darul Ehsan or at the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. Alternatively, the form of proxy may also be lodged electronically via https://investor.boardroomlimited.com not less than forty-eight (48) hours, i.e. latest by Monday, 7 September 2026 at 2.00 p.m., before the time appointed for holding the Meeting, or any adjournment thereof.

For the purposes of determining whether a depositor shall be regarded as a member entitled to attend, speak and vote at the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue pursuant to Paragraph 7.16(2) of Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") a Record of Depositors ("**ROD**") as at 1 September 2026 and a depositor shall not be regarded as a member entitled to attend the Meeting and to speak and vote thereat unless his/her name appears in the said ROD.

Details and instructions in addition to the above on participation at the Meeting are set out in the Administrative Guide.

FARLIM GROUP (MALAYSIA) BHD.

Registration No. 198201002529 (82275-A)
(Incorporated in Malaysia)

Number of Shares Held
CDS Account No.

FORM OF PROXY

I/We, ____ (NRIC/Passport/Co. No.: ___________________________)
(Full Name in Block Letters)

of____
(Full Address)

______________________________ being a member/members of FARLIM GROUP (MALAYSIA) BHD hereby appoint:

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Contact Number			

and/or

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Contact Number			

or failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company ("**EGM**" or **Meeting**") to be held at Level 3, The Corner Club Penang, 32, Jalan Kelawai, 10250 Georgetown, Penang on Wednesday, 9 September 2026 at 2.00 p.m. or any adjournment thereof, in the manner indicated below:

ORDINARY RESOLUTION	FOR	AGAINST
PROPOSED VARIATION		

Please indicate with "**X**" in the appropriate box against the resolution how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote at his/her discretion.

________________________ ______________________________________

Date **Signature(s) of member(s)**

Notes:

A member of the Company shall be entitled to appoint any person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote at the Meeting. A proxy need not be a member of the Company. There is no restriction as to the qualification of the proxy.

A member of the Company may appoint one (1) proxy or more proxies in relation to the Meeting and where a member appoints more than one (1) proxy as aforesaid, such appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.

Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("**SICDA**"), he(she) may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said security account.

Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies it may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

If the member is a corporation, the form of proxy must be executed either under its common seal or under the hand of an officer or attorney duly authorised in writing.

The form of proxy or instrument appointing a proxy duly completed and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's Registered Office situated at No. 2-8, Bangunan Farlim, Jalan PJS 10/32, Taman Sri Subang, 46150 Petaling Jaya, Selangor Darul Ehsan or at the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. Alternatively, the form of proxy may also be lodged electronically via https://investor.boardroomlimited.com not less than forty-eight (48) hours, i.e. latest by Monday, 7 September 2026 at 2.00 p.m., before the time appointed for holding the Meeting, or any adjournment thereof.

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Details and instructions in addition to the above on participation at the Meeting are set out in the Administrative Guide.

Personal data privacy:

By registering for the Meeting and/or submitting the instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclose of member's personal data by the Company (or its agents) for the purposes of processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournments thereof); and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively "**the Purposes**"). The member of the Company also warrants that he/she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company's (or its agents') processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes, and agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary
Farlim Group (Malaysia) Bhd
Registration No. 198201002529 (82275-A)
No. 2-8, Bangunan Farlim
Jalan PJS 10/32
Taman Sri Subang
46150 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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